

GREATER LONDON AUTHORITY

[REDACTED]
(By email)

Our Ref: MGLA280119-4221

22 May 2019

Dear [REDACTED]

Thank you for your request for information which the GLA received on 27 January 2019. Your request has been dealt with under the Environmental Information Regulations (EIR) 2004.

You requested:

1. *The GLA's bid for housing infrastructure funds for an upgrade to the East London Line, as referred to in mayoral decision MD2388.*
2. *Details of the GLA/TfL proposals to build a station at Surrey Canal Road, build a new entrance to Surrey Quays station and raise train frequencies on the Surrey Quays-Clapham Junction branch of the East London Line from 4 to 6 trains per hour.*

Our response to your request is as follows:

GLA bid for housing infrastructure funds for an upgrade to the East London Line:

Please find attached a copy of the bid document. Some of the content also falls under the exception to disclosure in Regulation 12 (5)(e) (the confidentiality of commercial or industrial information where such confidentiality is provided by law to protect a legitimate economic interest) of the EIR.

Applying the four-stage test from *Bristol City Council v Information Commissioner and Portland and Brunswick Squares Association (EA/2010/0012, 24 May 2010)*:

- The information is commercial or industrial in nature.

The redacted information includes estimates and costings for works that have not yet been tendered by TfL. The information can therefore be considered as commercial or industrial in nature.

- Confidentiality is provided by law.

The information is not trivial in nature, nor is it in the public domain, and it has been received by the GLA from TfL and London boroughs with the expectation that it will be handled on a confidential basis. The redacted information is therefore covered by the common law obligation of confidentiality, a form of confidentiality provided by law.

- The confidentiality is protecting a legitimate economic interest.

The confidentiality is protecting a legitimate economic interest because the bid includes estimates and costings for works that have not yet been tendered by TfL. These estimates and costings are commercially sensitive, as knowing how much TfL assumes the cost will be is likely to make the tendering process less competitive. The bid names development sites with housing numbers, most of which do not have planning consent and were provided by the boroughs based on a number of assumptions. The bid was submitted as part of a competitive bid process with central government, which has not completed yet.

- The confidentiality would be adversely affected by disclosure.

Disclosure of the information would inevitably harm its confidential nature.

- Public interest

Regulation 12(5)(e) constitutes a qualified exemption from the duty to disclose information under the EIR, and consideration must be given as to whether the public interest favouring disclosure of the information covered by this exemption outweighs the public interest considerations favouring maintaining the exemption and withholding the information.

The GLA acknowledges that there is a public interest in the activities being undertaken with regard to the Housing Infrastructure fund bid, and a specific public interest in the transparency of the GLA's achievement in delivering Mayoral commitments.

However, it is not in the public interest to prejudice TfL's negotiating position and the request comes at a time where TfL is still participating in a competitive bid process, and therefore yet to commence commercial negotiations.

We therefore consider that in respect of EIR 12(5)(e) the public interest is balanced in favour of non-disclosure of the redacted information because of the harm its release would cause.

Surrey Canal Road Station:

The new station at Surrey Canal Road will be on the London Overground line between Surrey Quays and Queens Road Peckham. Passive provision of the station was made when that section of the line was constructed. Housing Infrastructure Funds (HIF) will complete the works and enable the station to open.

The proposed upgrades at Surrey Quays station will improve access and egress at the existing station entrance, and create a new entrance, likely from Deal Porter's Way, at the northern end of the platforms.

The increase in train frequencies is brought about by TfL providing more trains. To do this HIF investment is required for: providing additional stabling for the new trains; improving signalling, particularly on the tunnel under the Thames; and upgrading power facilities to enable the new trains to operate

If you have any further questions relating to this matter, please contact me, quoting the reference at the top of this letter.

Yours sincerely



Information Governance Officer

If you are unhappy with the way the GLA has handled your request, you may complain using the GLA's FOI complaints and internal review procedure, available at:

<https://www.london.gov.uk/about-us/governance-and-spending/sharing-our-information/freedom-information>

Housing Infrastructure Fund

Business Case - HIF/FF/000229/BC/01 - East London Line - Growth Capacity

Bid Details

Lead Authority

Greater London Authority

Is it a joint bid with other Local Authorities?

No

Contact Details

First name

[REDACTED]

Last name

[REDACTED]

Email Address

[REDACTED]

Telephone number

[REDACTED]

Are you an agent making this submission on behalf of one or multiple Local Authorities?

No

Are the contact details provided above for the lead responsible officer for the project at the local authority?

Yes

Project Summary

What is the name of the scheme

East London Line - Growth Capacity

Please provide an Executive Summary for your proposal

This bid seeks to provide capacity enhancements on the East London Line (ELL) to facilitate the realisation of significant housing development opportunities in the London Boroughs (LB) of Southwark and Lewisham. The bid asks for £80.84m of HIF funding to provide:

- 20 trains per hour (tph) on the ELL – achieved through signalling works, additional stabling facilities and traction power systems upgrades to allow an increase in operation from 16tph to 20tph;
- An upgrade to Surrey Quays station – including a second entrance on the north side of Lower Road, and a new staircase between the existing entrance and the northbound platform;
- A new station at Surrey Canal Road – including access to the [REDACTED] and adjacent developments; and
- An upgrade to Canada Water bus station – providing capacity to enable a new bus route serving the [REDACTED] development.

The project will:

- Support the delivery of housing across the LBs of Southwark and Lewisham, unlocking 14,003 new homes by 2031;
- Facilitate delivery of affordable housing across the LBs of Southwark and Lewisham, with a minimum provision of 35% affordable;
- Support Canada Water Masterplan in delivering a mixed used community development that embeds 'good growth' principles;
- Relieve crowding on the ELL to increase public transport capacity and improve passenger experience; and
- Improve capacity and accessibility of Surrey Quays station; and
- Support economic growth in South East London.

Engagement with developers and the local boroughs has shown collective support for this project and the GLA will continue to work closely with these parties in project delivery, alongside Transport for London (TfL) to ensure objectives are realised. Overall the project generates a Benefit Cost Ratio (BCR) of 8.2, which represents high value for money to government.

Investment in public transport is a core enabler of growth, and both Southwark and Lewisham have challenging housing targets to support the needs of the area as identified in the Strategic Land Availability Assessment (SHLAA) and London Plan. However, the area's transport provision is constrained in the following ways:

- ELL services suffer from overcrowding; exceeding 4 people per m² on certain segments of the route;
- Surrey Quays station is overcrowded at peak times, resulting in gate line congestion and health and safety concerns on passenger stairs and platforms;
- There is currently no rail station in the [REDACTED] area (where major development is planned), with alternative stations at least 15 minutes walk; and
- Canada Water bus station has no spare operational capacity to support additional bus services.

Because of these constraints, any increase in demand generated from proposed housing would result in an unreasonable level of service and hence mitigation is required to support development in the ELL's catchment area. The scale of investment required to upgrade the ELL results in two types of market failure: 'Co-ordination failure' and the 'Public good/free-rider problem'. The complexities of the interactions on the network and number of stakeholders involved mean the delivery of rail capacity enhancements cannot be funded solely by private developers. Furthermore, the nature of the rail network means that it serves a wide range of beneficiaries and generates positive social and economic externalities. It is essentially a public good, hence why developers are not willing to pay more than their fair share. As such, the infrastructure requires an upfront public-sector commitment to enable its delivery, which is being requested through this bid.

Overall delivery will be coordinated by the GLA led HIF Programme Board. London Overground will deliver infrastructure works in relation to 20tph ELL, Surrey Quays station and Surrey Canal Road, while the bus station works will be delivered by TfL's in-house project delivery and engineering teams, with all works programmed to be completed by 2023.

Site Details

How many housing sites will the funding bring forward?

13

Please provide a list of the housing sites that the funding will bring forward, including the amount of units to be delivered on each site, the lower tier or unitary authority the site is in and the current land ownership

Site name	No of units	Local authority	Current ownership	Planning status	Planning reference
██████████ ██████████ ██████████	██	Southwark	██████████ ██████████ ██████████ ██████████	None	

Commentary

Site released by new provision as part of █████ scheme. Closer to CW station but site can't be released without █████ providing new facility therefore treat as if █████ owned so control of delivery

Site name	No of units	Local authority	Current ownership	Planning status	Planning reference
██████████ ██████████ ██████████ ██████████	██	Southwark	██████████ ██████████	None	

Commentary

SHLAA identified OSD potential, however opportunities more likely to be for ASD; adjoining land required for OSD

Site name	No of units	Local authority	Current ownership	Planning status	Planning reference
██████████ ██████████ ██████████ ██████████ ██████████	██	Southwark	██████████ ██████████ ██████████ ██████████ ██████████	None	

Commentary

Property required for station improvement as part of construction; remainder of site and air space above new stairs to be developed for housing. Fully supported by borough

Site name	No of units	Local authority	Current ownership	Planning status	Planning reference
██████████ ██████████	██	Southwark	██████████ ██████████	Allocated	

Commentary

Pre-app discussions have taken place between developer and borough

Site name	No of units	Local authority	Current ownership	Planning status	Planning reference
██████████ ██████████	██	██████████	██████████ ██████████	██████████	██████████

Commentary

██

Site name	No of units	Local authority	Current ownership	Planning status	Planning reference
██████████ ██████████ ██████████ ██████████ ██████████ ██████████ ██████████ ██████████ ██████████ ██████████	██	Southwark	██████████ ██████████ ██████████ ██████████	Allocated	

Commentary

██. Earliest it could go to Committee is January.

Site name	No of units	Local authority	Current ownership	Planning status	Planning reference
██████████ ██████████████ ██████ ██████████ ██████ ██████████ ██████████ ██████████████ ██████████ ██████████ ██████████ ██████████ ██████	██	Southwark	██████████ ██████ ██████████████ ██████████████	Allocated	

Commentary

- planning ref: 18/AP/1604 Planning Application submitted. Earliest it could go to Committee is January.

Site name	No of units	Local authority	Current ownership	Planning status	Planning reference
██████████ ██	██	Lewisham	██████████████ ██████████████ ██████████	Allocated	

Commentary

Site allocated by London SHLAA – supported by borough

Site name	No of units	Local authority	Current ownership	Planning status	Planning reference
██████████ ██	██	Southwark	██████████████ ██████████████ ██████████████ ██████████████	Allocated	

Commentary

Site allocated by borough

Site name	No of units	Local authority	Current ownership	Planning status	Planning reference
[REDACTED] [REDACTED]	[REDACTED]	Southwark	[REDACTED]	Allocated	
Commentary Site allocated by London SHLAA – supported by borough					

Site name	No of units	Local authority	Current ownership	Planning status	Planning reference
[REDACTED] [REDACTED] [REDACTED]	[REDACTED]	Southwark	[REDACTED] [REDACTED]	Allocated	
Commentary [REDACTED] [REDACTED]					

Site name	No of units	Local authority	Current ownership	Planning status	Planning reference
[REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]	[REDACTED]	Lewisham	[REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]	Outline	[REDACTED]
Commentary					
Currently have permission to build 2400 units, [REDACTED]					

Site name	No of units	Local authority	Current ownership	Planning status	Planning reference
[REDACTED] [REDACTED] [REDACTED] [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED] [REDACTED]	[REDACTED]	
Commentary					
Identified as part of site search for bid – fully supported by borough					

Please provide site boundaries for all housing sites

(see final page of document)

Please attach scheme plan(s) for your proposal - these should include plans of housing sites and infrastructure

Filename	Description
ELL Housing Case - SCR.pdf	ELL HIF Housing Site Plan
ELL Housing Case - SurreyQuays.pdf	ELL HIF Housing Site Plans
Site_Proformas.zip	Summary Sheets detailing and mapping each each site

What is the total size of the development (in hectares)?

47.42 ha

Of the total development size, what is the total housing area (in hectares)?

47.42 ha

How much of the total housing area is on:

Brownfield land

47.42 ha

Public sector land

26.47 ha

What are the proposed tenures of the homes to be delivered?

Affordable sale	22 %
Affordable rent	13 %
Market sale	45 %
Market rent	20 %
Other	0 %

Infrastructure Requirements

Please provide further details on the HIF infrastructure requirements and their link to the delivery of housing

Please outline, in further detail, the direct link between the infrastructure scheme(s) and how this unlocks the homes

The HIF funding requested will provide a package of infrastructure works associated with addressing capacity issues on the ELL. The

ELL is a key component of the public transport network in South East London, providing direct linkages from (amongst others) Lewisham and Southwark to numerous locations in London. The ELL also provides key interchange opportunities to access the Jubilee Line (and Elizabeth line in the future) to provide point to point connections to key economic centres such as Canary Wharf, Stratford, the City and London Airports. For large portions of Lewisham and Southwark the ELL is the most accessible mass transit system available to them, without a dense underground or national rail network operating in this region. As such the ELL is a critical element of the transport network in these Boroughs, however the capacity of the network will limit its ability to adequately provide for significant further housing growth in the area.

Defining Dependency

Both Southwark and Lewisham have housing targets to deliver in excess of 2,000 new homes annually across the lifetime of the London Plan; which will in turn generate significant additional pressure on the local transport network. In considering the link between housing and infrastructure we have applied the WebTAG definition of dependency, where by housing sites are considered dependant where without investment "an unreasonable level of service" would be provided. We have categorised "unreasonable" as when:

- A) Crowding reaches four passengers per m²; at which point passengers can rarely board services
- B) Station usage exceeds that recommended in Network Rail's station planning standards
- C) Crowding levels result in health and safety issues requiring station closures
- D) PTALs for housing sites fall below 2

How the ELL investment unlocks homes

Full details at a site by site level are attached in individual site proformas located in "ELL_HIF_Site_Proformas.zip".

Full details of the modelling undertaken are available in "181128 ELL HIF Public Transport Benefit Quantification Report.pdf".

Service Frequency: With the forecast additional development crowding levels on ELL train services will exceed four passengers per m² on the sections of route between Surrey Canal Road, Surrey Quays and Canada Water at peak times. Additional train service capacity will ensure that there is no detrimental impact on current train users and that new residents can have a satisfactory level of access to train services during peak periods without incurring excessive wait times to board trains. The train service capacity constraint is addressed by the investment proposed in this bid. The HIF funding will enable the operation of an increased frequency of service on the ELL branches to Clapham and Crystal Palace, with each branch receiving an extra two tph. This is sufficient to deliver the capacity required to support the additional housing development proposed within this bid; containing crowding below the "reasonable" threshold of 4 people standing per m².

Surrey Quays station: The current station already fails to comply with Network Rail's station planning standard for the size of the ticket gate array and the width of the staircases providing access to the platforms. The significant additional demand from adjacent developments (primarily [REDACTED]) will worsen the situation, which will lead to station closures at peak times. This additional constraint therefore needs to be addressed alongside the provision of additional train service capacity to enable the housing proposed at this location to be delivered. The HIF Bid funds the provision of a second entrance at Surrey Quays station to relieve this constraint. This change will also reduce the in-station congestion levels experienced by existing customers, improving their access to the surrounding area and also providing them with step free access between the street and the platform which is not currently available.

Surrey Canal Road: The development at [REDACTED] requires a new station to be delivered at Surrey Canal Road. This is a Grampian condition for the consented scheme. This area currently has very poor access to public transport, with a PTAL of between 1b and 2. The new station is required to unlock the housing in its catchment area by improving its accessibility alongside the train service capacity enhancement referred to above. [REDACTED]

[REDACTED] The additional costs to the developer from this higher level of affordable housing, in addition to requirements for CIL, Mayoral CIL and cost inflation, means that the developer cannot also fund the requirement for the new station.

Canada Water Bus Station: The consented scheme at [REDACTED] includes a planning condition obliging the developer to pay a Bus Services Contribution which will fund the provision of additional bus services from the site. One of the two service enhancements are to run through Canada Water and enable interchange with the London Overground and London Underground Jubilee line; ensuring reasonable public transport access from the site is possible. The planning contribution acknowledges that TfL will need to identify a suitable off-site bus stand. TfL have identified the Canada Water Bus Station as that bus stand site. However the bus station is currently at capacity and additional stands are required to support the new service. Without new stands at Canada Water bus station it will not be possible to operate the new bus service to [REDACTED] and the units at [REDACTED] cannot be occupied (as set out in the planning condition).

Wider Development Impacts

Please provide a summary of what impact the scheme will have on the Transport Network

The additional train services will increase the frequency and capacity of the East London Line, leading to reductions in journey time and a reduced level of crowding on public transport. The transport modelling has monetised these impacts at £3.2bn, as set out in the Economic Case.

However, the new development will also generate additional demand for both public transport and highway demand. However, overall there is a net benefit to public transport users from the scheme, both through faster journey times and reduced levels of crowding which has been monetised at £0.5bn, with benefits worth £3.2bn and costs at £2.7bn.

The highway modelling demonstrates that the additional housing unlocked by this bid will generate new trips which will lead to some additional highway congestion. However, the level of additional highway congestion will not be significant enough to act as a constraint to the delivery of housing.

Full details of the transport impacts of the scheme are set out in '181128 ELL HIF Public Transport Benefit Quantification Report.pdf'

Does the new housing development generate a need for new school places and how this will be accommodated

LB Lewisham

LB Lewisham do not currently believe they require any additional school places outside of their current forecasting.

LB Southwark

Expansions are required in pupil place planning area 2 (Bermondsey and Rotherhithe). This includes 1 x new FE required in Rotherhithe Primary School (expansion). LB Southwark are working with [REDACTED] to establish the specific school place requirements as a result of the Canada Water masterplan. It is likely to generate a need for an additional 2FE primary school places and up to 2FE secondary school places and this will likely be accommodated through existing school expansions in the area. [REDACTED]

In the Old Kent Road area, to accommodate the needs of the population, LB Southwark anticipate the need for 9x FE primary school expansions and have allowed space for 2x new primary schools to be built in the longer-term subject to need. A new secondary school is also planned for this area, to accommodate additional need from the mid 2020's.

No attachments

How have you assessed that no new utility infrastructure (electricity capacity, water, waste water, gas and telecoms) will be required for this scheme and future housing delivery, or, how additional utility infrastructure will be delivered without HIF funding?

- UK Power Networks (UKPN) do not foresee any significant blockers to delivering capacity in this area.
- SGN do not anticipate any significant blockers in terms of SGN's ability to delivery capacity to support this housing growth. No significant reinforcement requirements envisaged, however localised reinforcement may be required where the chosen connection main is of limited capacity. SGN believe there is a possibility of some contributions for localised reinforcement, under our connections processes, with possible feasibility study requirements where reinforcement quotation is deemed to be sufficiently complex.
- Thames Water: Thames Water do not expect investment is required other than development site surface water attenuation. Thames Water expect the majority of the funding to get under a standard mechanism through their Infrastructure Charges. In addition, £60 million of funding will be available in AMP7 under the Surface Water Management Strategy to create and maintain headroom in our drainage network (both across London and Thames Valley) in order to anticipate and fix future problems while also bringing benefits to the community. Four funding streams available; Local Authority Funding (£15M), Strategic Partnerships (£20M split three ways), Thames Water Alliance (£20M) and Third Party (£5M).

No attachments

What consideration have you given to ensuring that the health and care services locally will align with the additional homes to be built?

The population yield generated by the new homes delivered by the bid is estimated (based on an average household size of 2.47) to

be 12,508 people in Southwark, and 22,079 people in Lewisham. The number of GPs required to serve a new population of this size can be estimated by applying the standard of 1 GP per 1,800 people (based on guidance from Royal Collage of GPs). This generates demand for approximately 7 full time equivalent GPs in Southwark, and 12 GPs in Lewisham. Both boroughs have planned for health and care services through their Local Plan process, and have allocations to meet the demand from new developments which will come forward.

In the draft Southwark Local Plan, Policy P42 (Healthy developments) states that developments will be permitted where new health, health related community and leisure facilities are provided; or where existing health, health related community and leisure facilities are retained or re-provided. In Lewisham, Core Strategy Policy 21 sets out that planning obligations will be considered to meet the need provide infrastructure, services and/or facilities to address the impact of new development will be considered by the local planning authority from the outset of the planning application process. As such the demand for services from the additional homes will therefore be reviewed in due course as part of the Local Planning process.

Both boroughs will collect funds through CIL and S106 developer contributions over the plan period. Where direct on-site delivery by developers is not possible, this funding could assist the boroughs in delivering new and enhanced facilities itself. The boroughs work closely with partners such as the NHS / Clinical Commissioning Groups to support the delivery of all infrastructure.

Have you engaged with your Sustainability and Transformation Partnership?

We have engaged with the South East London Sustainability and Transformation Partnership (SEL STP). SEL STP and its partner organisations are fully conversant with and supportive of the bid that will support new housing developments within South East London. The SEL STP Estates Strategy is aligned to specific areas in South East London where they expect to see significant areas of population growth and view the development of the infrastructure to support these new housing developments as being both an essential crucial component to ensure the future health and wellbeing of these new communities.

If you have any further information to support your project overview, which has not already been captured in the above, please include this here

Filename	Description
ELL_HIF_Site Proforma's.zip	Site Proforma's outlining the details on a site by site basis

Strategic Case

Strategic Approach

How will this scheme support your long term housing and economic growth ambitions? Please refer to any development plans and / or associated planning guidance policies

London's long-term housing and economic growth ambitions

London has experienced extraordinary levels of population growth in recent decades. Its population has grown by more than 100,000 every year for the last ten years and reached a new peak of 8.9 million people in 2017. This growth is expected to continue, with 1.9m new people expected to live in London by 2041.

London has also experienced a period of rapid and sustained economic growth. Between Q1 2010 and Q2 2017, London's economic output as measured by Gross Value Added is estimated to have grown by 27% in real terms, compared to growth of 15% in the rest of the UK. The GLA's labour market projections estimate that employment in London will grow by an average of 49,000 jobs a year between 2016 and 2041, faster than the projected rate of growth of the working-age population.

The city's supply of housing has not kept up with the growing population and housing has consequently become unaffordable for an increasing number of Londoners. The projected rate of population growth between 2016 and 2041 has increased in the 2017 Strategic Housing Market Assessment (SHMA) to 79,000 a year from 63,000 a year in the 2013 SHMA.

The draft new London Plan is the spatial development strategy for London for the next 25 years to ensure London's global economy can continue to grow and be supported to allow it to meet the needs of 10.8 million people by 2041. The new London Plan's ambitions are to improve the health and quality of life of all Londoners, to reduce inequalities and to make the city a better place to live, work and visit through the Good Growth policies.

How does this scheme meet these ambitions?

This project enables growth which supports the following draft London Plan policies:

- Building strong and inclusive communities (Policy GG1) by unlocking strategic developments that include good quality services and amenities that strengthen communities and address social isolation.
- Making the best use of land (Policy GG2) by prioritizing higher density development on brownfield land, in Opportunity Areas, and on public sector land sites with good public transport connections
- Creating a healthy city (Policy GG3) by promoting the Healthy Streets Approach and improving accessibility of public transport infrastructure to promote active lifestyles.
- Delivering the homes Londoners need (Policy GG4) by unlocking housing developments with a minimum of 35% affordable housing in Southwark and Lewisham.
- Growing a good economy (Policy GG5) by providing public transport access to key employment hubs as well as ensuring that sufficient high-quality affordable housing is provided.
- Accelerating development: An early HIF intervention can accelerate the pace of development and the delivery of additional housing in South East London, especially on large sites where the speed of delivery can be constrained by the market's absorption model and on other multi-phased sites. The funding could encourage the completion of homes ahead of planned timetable. The significant housing need in South East London would ensure that these homes would not compete with homes for sale at the time.

Local long-term housing and economic ambitions

The London Plan allocated housing targets at a borough level to meet the need identified through the SHMA. LB Southwark and LB Lewisham have annual targets of 2,554 homes and 2,117 homes respectively over the lifetime of the new London Plan (2019/20 to 2028/29). LB Lewisham are required to deliver over 700 more homes a year compared to the previous London Plan.

Increasing housing delivery in these boroughs will tackle the issues of affordability they both face. The average house price in Southwark is now more than 15 times the median household income and more than 12 times in Lewisham, compared to 13 times across London. This means that 71% of people in Southwark and 64% of people in Lewisham are unable to afford homes in the open market, and a total arising affordable need of 2,232 and 2,244 respectively.

Alongside the ambitious housing targets set LB Southwark has two key strategic developments:

- Canada Water Area Action Plan (AAP): 4,500 homes, 2,000 jobs.
- Old Kent Road draft AAP/Opportunity Area: 20,000 homes, 5,000 jobs.

The Canada Water AAP aims to improve public transport accessibility, provide opportunity and capacity for growth and development (at least 4,500 new homes, of which 1,000 will be affordable), and develop the character and regeneration of Canada Water.

The Old Kent Road Area Action Plan AAP/OAPF is currently out for consultation and aims to transform the area over the next 20 years. The AAP/OAPF proposes include proposals for 20,000 new homes, including affordable homes, employment clusters, and mixed-use social infrastructure to accompany two new tube stations on the Bakerloo Line Extension around 2030.

How does this scheme meet these ambitions?

• Increase frequency to 20 tph on the ELL. This element of the bid increases the number of trains on the core section of the ELL from 16 to 20 tph. This creates additional loading capacity at stations which are currently operating at an unreasonable level of service. Providing this increased capacity allows for developments to come forward without having a detrimental effect on current service users. This benefits developments along the entire ELL but has direct benefits to those developments at stations where trains arrive already at capacity.

• Upgrade of Surrey Quays station. This element of the bid improves accessibility at the current station and provides a new station entrance. This piece of infrastructure directly meets the Canada Water AAP aims to improve transport accessibility and provide capacity for development. These station upgrades will provide crucial mitigation to the scale of development proposed by

• A new station at Surrey Canal Road. This element of the bid provides new transport capacity in an area with high deprivation and low PTAL and unlocks The development of a new station at Surrey Canal Road on the London Overground features in the AAP, supporting its objectives for improving transport connections, providing more and better-quality homes, and enhancing the community, leisure, shopping facilities and sense of place in the area.

• Upgrade at Canada Water bus station.

This will make a significant contribution to LB Lewisham's housing target.

What is your assessment of local housing requirements in your area and how will this scheme address these needs? Please refer to any data and evidence sources you have, including local housing need

London-wide housing need:

The London Plan guides development on a citywide level and is informed by a SHMA. The 2017 London SHMA sets out estimates of London's current and future housing requirements, to inform the development of the Mayor's London Plan and Housing Strategy. The projected rate of population growth between 2016 and 2041 has increased in the 2017 SHMA to 79,000 a year from 63,000 a year in the 2013 SHMA. The fastest rates of population growth are expected to be among older age groups (due both to the ageing of 'baby boomers' and rising life expectancies). This will, in turn, accelerate growth in the number of households due to the propensity of older people to form smaller households.

Housebuilding has not kept up with rapid population and employment growth in London over the last decade, and housing costs have consequently risen faster than incomes. There has been a particularly sharp deterioration in affordability for private renters (while lower interest rates have boosted house prices but kept mortgage costs relatively low for homeowners).

Recent years have seen strong supply of market housing, including the emergence of the Build to Rent sector, but a very low supply of affordable housing, particularly for low cost rent. This shortfall in affordable housing supply has contributed to rising numbers of households who are either homeless or 'concealed' due to living as part of another household (a key factor in the 'backlog' of housing need referred to below).

Homelessness and rough sleeping have all increased sharply in the last five years, though there are recent signs that this growth may be levelling off. Overcrowding rates have fallen slightly in the last couple of years, while remaining very high in comparison to the rest of the country.

When backlog need, affordability and the likely rate of second and vacant homes are taken into account, the net requirement for new homes in London between 2016 and 2041 is estimated to be around 65,900 homes a year. Of this total, 47% would need to be 'low cost rent' (social rent and Affordable Rent) and 18% intermediate (e.g. shared ownership and London Living Rent) based on standard

affordability tests.

The London Plan has set an annual housing target of 64,935 dwellings for the next ten years to meet this need. The Affordable Housing and Viability Supplementary Planning Guidance also encourages all developments to deliver 35% affordable housing.

Local housing need

The South East London (SEL) SHMA looks at housing requirements in a smaller geographic area. According to the 2014 SEL SHMA, there is a total housing requirement of about 143,800 dwellings in South East London during the 2011-2031 period, or just under 7,200 per annum. The current backlog unmet need for affordable housing in South East London is estimated to be circa 55,500. The SEL SHMA assumes that this backlog will be addressed over 20 years (as does the GLA SHMA). Newly arising need for affordable housing is 8,900 households per annum. The total annual supply of social and affordable rented and intermediate market homes is calculated to be close to 5,600 units per annum.

There is a shortage of affordable housing in Southwark. According to the New Southwark Plan, 92% of households in Southwark have incomes which require some form of affordable housing. Southwark has a net additional housing requirement for 1,472 to 1,824 homes per year (2013-2031). The annual net affordable housing need is for 799 homes per year which accounts for approximately 48% of Southwark's total annual housing need. LB Southwark require developments of 11 homes or more to deliver a minimum of 35% affordable housing (broken down to a minimum of 25% social rented and 10% intermediate housing).

Southwark experiences high levels of overcrowding, especially in affordable housing. Southwark's SHMA shows that Southwark needs 96% of new social rented homes and 36% of new intermediate tenure homes to provide three or more bedrooms. As such, Southwark require that all major residential developments provide a minimum of 60% of units with two or more bedrooms and a minimum of 20% of family homes (three bedrooms or more) depending on location within the borough.

Lewisham also faces challenges of affordability. According to LB Lewisham's Core Strategic Framework, Lewisham require that all developments provide 50% affordable housing (approximately 9,082 homes between 2011 and 2026) broken down to 70% social rent and 30% intermediate tenures. Lewisham also require that family homes are part of any development with 10 or more homes.

The preference for affordable housing is for 42% family homes.

How the scheme will meet these housing requirements

As described in the previous question, the transport infrastructure provided through the bid unlocks three key strategic developments and a number of directly dependent smaller sites.

[REDACTED]

[REDACTED] This will include family housing. Again, the development is at such a scale that it will provide housing that will meet the needs of a wide range of Londoners.

- Smaller sites. Developments that come forward will be subject to scrutiny through the local planning process (and GLA planning scrutiny if they are large enough). The planning process will ensure that developments provide the necessary minimum levels of affordable housing and required size mix in order to get planning permission

No attachments

Local Support

How will this scheme demonstrate effective joint working? E.g. with neighbouring local authorities and other local partners, Private sector organisations, Local Enterprise Partnerships etc.

The GLA has worked closely with TfL, local authorities and other public and private sector organisations to develop this business case to ensure that the scheme can deliver joint working. The scheme is comprised of several discrete elements that require the input of a range of public and private sector partners to be successful.

This bid does not bring forward any land for development, consequently all homes will be delivered indirectly. Therefore, it is crucial to ensure there are effective joint working arrangements in place to deliver these homes. The GLA already has a good working relationship with LB Southwark and LB Lewisham through previous housing projects and affordable housing funding programmes. The GLA have utilised the relationships with planning and regeneration colleagues in the run up to bid submission to identify sites and confirm their development capacity. Both LB Southwark and LB Lewisham's planning teams will be crucial gatekeepers for approving additional housing capacity that has come about because of the scheme.

The delivery of each element of the bid will rely on effective joint working between public and private sector organisations including the required borough approvals.

The key elements of our joint working approach are set out below:

- Increase frequency to 20 tph on the ELL. The GLA have secured a working relationship with Network Rail, through TfL's existing relationship. Joint working will be required between the GLA (and TfL as the delivery partner) and Network Rail to ensure successful delivery of the timetable change required to be agreed to allow for the ELL 20 tph service to come into operation. As part of this process privately owned train and freight operators will need to be engaged with to get the relevant approvals from them for the timetable change.
- Upgrade of Surrey Quays station. The GLA have secured a positive working relationship with [REDACTED] and secured funding to progress the scheme development work on the station from [REDACTED]. The GLA now meet with [REDACTED] monthly to discuss the station and the wider bid. This will continue if the bid is successful and will discuss delivery of the new station entrance.
- A new station at Surrey Canal Road. The GLA have worked closely with [REDACTED] to bring forward the development at [REDACTED] [REDACTED] for a number of years. The GLA have met with LB Lewisham and [REDACTED] to discuss the delivery of the station and the wider redevelopment. This will continue if the bid is successful and will discuss the delivery of a new station.
- Upgrade at Canada Water bus station. The GLA have secured a positive working relationship with developers in close proximity to the station ([REDACTED] [REDACTED] [REDACTED]). The GLA will continue to work with the developers when the bus station is delivered and will use the existing relationships to ensure works to the bus station do not impede the delivery of new housing.

The GLA has secured a relationship with Network Rail through the existing positive relationships with TfL. Network Rail (NR) wrote a supporting letter for this bid in September 2017. NR have confirmed that Network Rail officers will be available to support this bid. The London Enterprise Action Panel (as the Local Enterprise Partnership (LEP) for Greater London) endorsed the Expression of Interest, will be part of the GLA's approval process for the business case submission and receive updates on progress of the co-development schemes, as will the Homes for Londoners Board.

In addition to developing effective relationships with partners, our project management approach recognises the fact that cooperation between the GLA and TfL needs to be embedded in the entire process to ensure the scheme is delivered most efficiently, including to manage dependencies with the RSRP across TfL. To achieve this, the scheme will be overseen by a HIF Programme Board (See management case)

Please demonstrate local support for your scheme (for example in Local Plans and policies)

The ELL will benefit LB Southwark and LB Lewisham. Both boroughs have strategic aims to deliver more housing, especially more affordable housing, protect and strengthen local economies and improve public transport provision.

The New Southwark Plan (NSP) supports high density development in the Canada Water and Old Kent Road Opportunity Areas (OA). The NSP has also designated both as major town centres.

Lewisham's Core Strategy supports development at [REDACTED] [REDACTED] as it will act as a catalyst for regeneration of the wider area (spatial policy 2).

There is local support for each element of the bid set out below:

- Increase frequency to 20 trains per hour (tph) on the ELL. The NSP (policy AV.14) calls for improved public transport to serve

Southwark. The Canada Water AAP also supported phase 1 and 2 of the ELL conversion into the London Overground. It also supported the lengthening of trains on the London Overground network from four to five carriages, as well as the Highbury and Islington to West Croydon/Clapham Junction line. The Canada Water AAP and the draft Old Kent Road AAP/OAPF continues to support the delivery of an improved transport network to service the respective AAP areas. Providing an increased service frequency will allow for higher density developments at the [REDACTED].

- Upgrade of Surrey Quays station. The NSP (policy AV.14) call for improved public transport to serve Southwark. The Canada Water AAP has the potential to be an exemplar for Healthy Streets (in line with Policy 6 of the AAP) which supports the use of public transport and active travel. Providing a new station entrance to service the [REDACTED] will mean that the transport infrastructure can meet the scale of development proposed ([REDACTED]) supporting Southwark's aim for high density development and major town centre status at Canada Water (policy AV.14).

- A new station at Surrey Canal Road. LB Lewisham's Core Strategy supports the regeneration of Deptford, Deptford Creekside and New Cross/New Cross Gate, meeting Spatial Policy 2 (Regeneration and Growth Areas). The delivery of regeneration in these areas also includes the need to deliver a new railway station at Surrey Canal Road as part of the ELL extension. The interventions will also support sustainable movement and transport (Core Strategy Policy 14). This station is within the consented [REDACTED]

- Upgrade at Canada Water bus station. The NSP (policy AV.14) call for improved public transport, including better bus circulation. As previously mentioned Canada Water AAP previously supported the delivery of phase 1 and 2 of the ELL, which provided bus station improvements. [REDACTED].

London wide policies

The need to deliver new homes and improved public transport is recognised in the draft London Plan (LP), the Mayor's Housing Strategy (MHS) and the Mayor's Transport Strategy (MTS). The bid meets the good growth principles set out in the LP and the Canada Water and Old Kent Road OAs (policy SD1). The LP also supports higher densities at sites with existing and planned public transport (policy D6). The MHS (policies 3.2 and 5.3) support investment in public transport infrastructure improvements to maximise the opportunity for new homes. The core MTS policy is for 80% of all trips to be made by foot, cycle or public transport by 2014 (policy 1) and to deliver a 'Healthy Streets' approach (policy 10) across London.

Local resident support

Local residents have been consulted for LB Lewisham's Core Strategy, LB Southwark's NSP and the Canada Water AAP. [REDACTED] is also undertaking substantial levels of community engagement in the Canada Water area, which has garnered significant support from residents and businesses.

Can you provide evidence of support for your proposal from the following:

	Support	Further Details
Local MP(s)	Awaiting response	James Murray, Deputy Mayor for Housing and Residential Development has written to: Neil Coyle MP, Labour, Bermondsey and Old Southwark Vicky Foxcroft MP, Labour, Lewisham, Deptford Rt Hon Harriet Harman QC MP, Labour, Camberwell and Peckham
No attachments		

	Support	Further Details
Local community	Yes	Letters of support have been received by a number of community groups and local organisations. See attachments below.
Filename 18-11-26 CWCF overground letter.pdf RAHF_letter_re_East_London_Line.pdf Southwark Chamber of Commerce.pdf		Description Canada Water Consultative Forum Rotherhithe Area Housing Forum Southwark Chamber of Commerce
	Support	Further Details
Local Enterprise Partnership(s)	Awaiting response	The London Enterprise Action Panel (LEAP - the LEP for Greater London) endorsed the Expression of Interest. The LEAP'S Investment Committee will meet again on 31 January 2019.
No attachments		
	Support	Further Details
Supporting upper tier local authorities	No	The Greater London Authority is the upper tier local authority and is submitting this bid.
No attachments		
	Support	Further Details
Supporting lower tier local authorities	Yes	Letter received from LBs Southwark and Lewisham
Filename LB Lewisham.pdf LB Southwark supporting letter.pdf		Description Letter received from LB Lewisham Letter received from LB Southwark
	Support	Further Details
Any other key stakeholders	Yes	We have discussed the proposals with a number of local landowners, who have provided supporting letters attached below.
Filename [REDACTED] [REDACTED].pdf 181123 NB HIF Letter of Support.pdf		Description [REDACTED] [REDACTED] [REDACTED]

Meeting housing policy objectives

How will your scheme support the Government's ambitions for housing, as set out in the Housing White Paper?

The package of measures in this bid support Steps 1-3 of the Government's housing objectives as set out in 'Fixing our broken housing market'

Step 1 - Planning for the right homes in the right places

- Bringing brownfield land back into use: The scheme directly enables the delivery of 13 housing sites in Southwark and Lewisham. All sites identified for housing development are on brownfield land;
- Building more homes on public sector land: The scheme will enable new housing to be built on public sector land, with c.40% of all land unlocked owned by the public sector;
- Supporting the development of small and medium sized sites: Three of the 13 sites included in this bid will deliver less than 100 units each. It is also likely that the public transport improvements will enable further small and medium sites to come forward; ,
- Providing high quality homes: The Mayor and the boroughs are committed to providing high quality new homes for Londoners and the Mayor's Design Advocates have been appointed to support this aim;
- Higher-density housing in urban locations well served by public transport: The scheme directly enables housing to come forward in locations well served by public transport by providing the rail and station capacity required to accommodate the demand generated by new housing; and
- Ensuring that the density and form of development reflect the nature of local housing needs: All sites will bring forward a unit and tenure mix which is in line with the London Strategic Housing Market Assessment. This includes provision of at least 35% affordable housing.

Step 2 - Building homes faster

- Targeting the £5.5bn Housing Infrastructure Fund at the areas of greatest housing need and make the most of the opportunities for new housing it unlocks: Allocating Housing Infrastructure Fund money to this scheme will allow 11,586 units (once deadweight is accounted for) to come forward in an area with one of the greatest levels of housing need in the country (see 'Local Housing Requirements' section for more details on this).

Step 3 - Diversifying the market

- Attracting institutional investment – building more homes for private rent: The sites have potential to meet the demand from the growing Build to Rent (BtR) sector should transport and accessibility concerns be addressed; and
- Support Modern Methods of Construction: Given the scale of the residential development proposed, the schemes could be tailored to be built using Modern Methods of Construction (MMC).

Scheme Objectives

What are the overarching objectives of the scheme? Objectives should be SMART - specific, measurable, achievable, relevant and time constrained

- Support the overall delivery of housing across the London Boroughs of Southwark and Lewisham. Facilitate the development of housing across Southwark and Lewisham. Supporting the area in meeting housing needs identified in the London Plan, SHLAA and local plans. • Unlock development sites which deliver a minimum of 10,000 high quality new homes across Southwark and Lewisham by 2031
- Facilitate the delivery of affordable housing across London Boroughs of Southwark and Lewisham. • Provide a minimum of 35% affordable homes across the unlocked sites. • Delivery of significant new homes to mitigate projected house price pressures in South East London Boroughs
- Support Canada Water Masterplan in achieving optimum housing delivery in a mixed used community development that embeds "good growth" principles. The [REDACTED] masterplan area has the potential to deliver significant housing, however ensuring sufficient and suitable transport capacity is needed to facilitate accelerated and higher volume housing delivery; • Ensure the full [REDACTED] can be unlocked; and • Provide sufficient bus station capacity at Canada Water bus station to ensure two additional bus routes from the site to support sustainable travel
- Relieve crowding on the East London Line to increase public transport capacity and improve passenger experience The East London Line currently operates at 16 trains per hour (tph) on the core section with levels of crowding approaching 4 people per sq/m standing in some sections, which is forecast to further increase Provide an additional 4 tph on the ELL, increasing frequencies on the core section (Dalston – Surrey Quays) to 20tph. No crowding of more than four passengers per m squared
- Improve capacity and accessibility of Surrey Quays station The existing station infrastructure experiences congestion during

peak periods due to the small ticket hall and narrow stairways to the platforms. There is also no step-free access at the station. Increased demand generated by any future development is expected to lead to station closures during peak periods • Provide a new northern entrance to the station by 2023 that improves public transport access for the [REDACTED]; and • Enhance pedestrian flow through the station and provide step free access that aligns with good design principles and improves passenger experience.

- Support Economic Growth in South East London • Unlock over 400,000sqm commercial space in Lewisham and Southwark • Enhance connectivity between South East London and key economic centers or Canary Wharf and Stratford.

Please list the criteria (critical success factors - CSFs) against which you will assess the successful delivery of the project and the evaluation of options

- Strategic Fit and Need: • CSF1: Continued alignment with Southwark and Lewisham local plans, with stakeholder support, helping the local boroughs to meet their housing targets; • CSF2: Stakeholder engagement with land owners and developers to ensure alignment of delivery plans; • CSF3: Continued alignment with MTS, London Plan and Canada Water Opportunity Area, directly; and facilitating growth opportunities in the area while encouraging sustainable transport use.
- Value for Money: • CSF4: Positive Benefit – Cost ratio that represents good value for money to UK plc; • CSF5: Ability to deliver land value uplift; and • CSF6: Ability for scheme to mitigate crowding conditions and access to the public transport network and therefore increase public transport patronage; generating the associated revenue
- Deliverability • CSF7: Infrastructure considered technically feasible and deliverable at a satisfactory level of risk at assumed delivery costs; • CSF8: Stakeholder engagement between LO/NR /TOCs to deliver operational solutions to support ELL 20tph on the rail infrastructure; and • CSF9: Scheme is deliverable within the programme constraints of HIF spending profile
- Affordability: • CSF10: Ensure financial demand of infrastructure can be meet including ddelivery of other committed and required funds (Developer contributions, TfL Business Plan)

Rationale for intervention

What is the market failure being addressed? Please provide a detailed account of why the existing arrangements, both financial and delivery, are not sufficient to deliver the scheme and the rationale for government intervention (HIF funding)

Market failure is clearly apparent here because there is a need to provide infrastructure that no developers are able or willing to fund, even collectively. The scale of investment required to upgrade the East London Line to support growth aspirations, and the large number of developments that depend on this infrastructure, results in two types of market failure: 'Co-ordination failure' and the 'Public good/free-rider problem'. As such, the infrastructure requires an upfront public sector commitment to enable its delivery.

The first section of this response provides evidence of why these market failures exist, whilst the second section sets out why TfL cannot provide the upfront public sector commitment required.

Why market failure exists here:

The complexities of the interactions on the network and number of stakeholders involved mean the delivery of rail capacity enhancements cannot be funded solely by private developers. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Surrey Quays Station:

[REDACTED] to an area in need of regeneration. A strategic transport study for the area showed there was need for a range of transport mitigations for the site, including the need to upgrade access to and within Surrey Quays station. Consequently, [REDACTED]
[REDACTED]
However, this will not be enough to fully fund the upgrade to the station. The HIF funding will plug the gap to enable the delivery of the station and unlock the full potential of the development site.

Surrey Canal Road Station:

[REDACTED] is in the process of completing the land assembly required to develop the site out for housing and provide expanded leisure offer. [REDACTED]
[REDACTED]
[REDACTED]

Canada Water Bus Station Upgrade:

The bus station upgrade is required to accommodate the additional bus services that will serve [REDACTED]. The S106 funds for transport from this development exceed £30m and include the requirement to fund the operation of two new bus routes to connect the site to key mass transit interchange points at Surrey Quays and Canada Water. The developer will pay £7.5m to fund the cost of operating the new bus services, but there is no funding available to pay for the expansion of Canada Water bus station, which is needed to accommodate the new services.
[REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Over a 60 year appraisal period the scheme generates a net surplus of fare revenue once operating costs have been taken into account. However, the scheme requires funding upfront and it is not possible to borrow the amount required against future revenue. The network actually operates at a net-loss in the first few years and it would take decades before the sum could be paid back. Any net revenue surplus generated by the scheme would be reinvested in the transport network, helping to support further housing growth in London.

The funding requested in this bid seeks to address the market failure outlined above; building on the investment developers are contributing through S106 and the investment in additional rolling stock TfL have secured, to bridge the gap and allow infrastructure investment now substantial network level transport benefits that can support the unlocking of significant housing development.

No attachments

Additional Information

If you have any further information to support your strategic case, which has not already been captured in the above, please include this here

No attachments

Options Appraisal

Outline of options

Please provide a summary of all options considered during co-development related to the extent of HIF funding required. Please set out the rationale for why these options were discounted in favour of the preferred option

Section 2.4.2 lists the Critical Success Factors' (CSFs) used to evaluate the various potential options considered for the Bid. They cover the key items that require consideration in relation to the various options proposed, including the extent to which they support policy objectives at the local and regional level (particularly those relating to unlocking housing), align with developer delivery plans, deliver good value for money across the housing and transport elements of the proposals, are able to be delivered to the timescales required, have the support of stakeholders and are financially viable. The scoring scales used for the CSFs are described in further detail below together. Higher scores demonstrate a greater alignment with the CSFs identified:

- CSF1: Alignment with LB Southwark and LB Lewisham Local Plans:
 - 0 – No alignment with LB Southwark and LB Lewisham Local Plans;
 - 1 – Partial alignment with LB Southwark and LB Lewisham Local Plans;
 - 2 – Close alignment with LB Southwark and LB Lewisham Local Plans;
- CSF2: Stakeholder engagement with land owners and developers to ensure alignment of delivery plans:
 - 0 – No alignment with delivery plans;
 - 1 – Partial alignment with delivery plans;
 - 2 – Full alignment with delivery plans;
- CSF3: Alignment with regional transport plans:
 - 0 – No alignment with regional transport plans;
 - 1 – Partial alignment with regional transport plans;
 - 2 – Full alignment with regional transport plans;
- CSF4: Benefit cost ratio:
 - 0 – Benefit cost ratio expected to be weak;
 - 1 – Benefit cost ratio expected to be reasonable;
 - 2 – Benefit cost ratio expected to be strong;
- CSF5: Ability to deliver land value uplift:
 - 0 – Ability to deliver uplift expected to be weak;
 - 1 – Ability to deliver uplift expected to be reasonable;
 - 2 – Ability to deliver uplift expected to be strong;
- CSF6: Ability of scheme to mitigate expected crowding on public transport network:
 - 0 – Poor ability to mitigate crowding on public transport network;
 - 1 – Medium ability to mitigate crowding on public transport network;
 - 2 – High ability to mitigate crowding on public transport network;
- CSF7: Ability to deliver scheme with a satisfactory level of technical and cost risk:
 - 0 – Level of technical and cost risk is high;
 - 1 – Medium level of technical and cost risk;
 - 2 – Low level of technical and cost risk;
- CSF8: Ability to gain stakeholder assent to operate enhanced service on rail infrastructure:
 - 0 – Low probability of stakeholder assent;
 - 1 – Medium probability of stakeholder assent;
 - 2 – High probability of stakeholder assent;
- CSF9: Ability to deliver scheme within programme constraints of HIF spending profile:
 - 0 – Low probability of delivery to timescales required;
 - 1 – Medium probability of delivery to timescales required;
 - 2 – High probability of delivery to timescales required;
- CSF10: Ensure initial and ongoing financial demands of new infrastructure can be met:
 - 0 – High risk these demands cannot be met;

- 1 – Medium risk these demands cannot be met;
- 2 – Low risk these demands cannot be met.

The various options considered during the co-development phase are described and scored against each of the CSFs in attachment "ELL HIF Options_Assessment_Table.pdf"

The option of enhanced bus services that is referenced in the table above refers to enhanced bus services throughout the East London Line corridor, rather than the additional bus services serving the [REDACTED] development which are enabled by the works to the bus station at Canada Water.

Options that scored highest against the CSFs were identified as the preferred scheme elements for the ELL capacity growth programme and were taken forward for detailed assessment. The preferred elements taken forwards were East London Line 20 tph, the upgrade of Surrey Quays station, the provision of Surrey Canal Road station and the bus station enhancement at Canada Water. The greater use of active travel modes and enhanced bus services throughout the corridor achieved lower scores to the preferred options and were rejected for inclusion in the preferred scheme taken forwards. This was driven by their inability to provide the same quantum and quality of transport connectivity to the new housing proposed, significantly limiting their ability to unlock new housing developments.

The repurposing of the emergency stairs at Canada Water was not included in the preferred option because the primary value of this measure is to improve travel conditions for existing customers making the interchange between the Overground northbound platform and the Jubilee line. It is not therefore a significant factor that unlocks new homes.

The provision of longer and wider Overground platforms at Canada Water station were not included within the preferred option because they cannot be completed within the timescales required by HIF and there are significant concerns as to their ability to be integrated with the redevelopment of the adjacent Canada Water site. Their main value is derived from reducing congestion levels on the southbound Overground platform at Canada Water during the PM Peak period. The additional train service frequency proposed on the ELL will also achieve this reduction therefore the value of this intervention is limited in the context of transport benefits and unlocking housing.

The Rotherhithe – Canary Wharf bridge was not included within the preferred option taken forward because of the lower level of transport utility that it provides compared to other options. It delivers a fixed link between the Canada Water development and Canary Wharf, which can only be used by active travel modes. As such it limits the options ability to unlock housing in the study area, nonetheless it still offers a degree of utility in terms of relieving a heavily congested stretch of the Jubilee line (between Canada Water and Canary Wharf) and in station congestion at Canada Water; these localised benefits mean it is being developed for delivery separately to the HIF process.

Please summarise shortlisted options considered and how these meet the required objectives of the scheme detailed earlier in the business case.

	With requested HIF funding	With a reduced amount of HIF funding	Do nothing (no HIF funding)
HIF Funding Required	£80,843,696	£77,918,542	£0
Total scheme cost	£90,158,921	£87,233,767	£0
Housing units delivered	14003	9003	2418
Estimated % affordable	35 %	35 %	35 %
Units started up to 2022	2,039	1,839	488
Units started 2023 - 2025	4,314	3,414	880
Units started 2026 - 2030	5,250	3,750	1,050
Units started 2031 - 2035	1,500	0	0
Units started in future years	900	0	0
Amount of LA funding (inc. LGF)	£0	£0	£0
Amount of other Central Govt. funding	£0	£0	£0
Amount of private sector funding	£9,315,225	£9,315,225	£0
Amount of other public sector funding	£0	£0	£0

1. With requested HIF funding

The ELL capacity growth programme draws together the following transport infrastructure enhancements:

- 20 trains per hour on the ELL – achieved through signaling works, additional stabling facilities and traction power systems upgrades to allow an increase in operation from 16tph to 20tph. The additional services will provide a 4tph frequency increase along the ELL core section and a 2tph increase on both the Clapham Junction and Crystal Palace branches.
- An upgrade to Surrey Quays station – including a second entrance on the north side of Lower Road, and a new staircase between the existing entrance and the northbound platform. The new entrance will provide direct access to the station from the significant development proposed on the [REDACTED] adjacent to the station; removing issues associated with the need for passengers to navigate across Lower Road.
- A new station at Surrey Canal Road – situated between Surrey Quays and Queens Road Peckham which will be designed to a 5-car specification in line with ELL operations. The new station will provide significantly enhanced public transport access in the area, unlocking new developments at [REDACTED] and the adjacent area.
- An upgrade to Canada Water bus station – providing capacity to enable a new bus route serving the [REDACTED] development.

Delivery of option 1 requires the full HIF funding request of £80,843,696m (2018/19 prices)

Combined the enhanced public transport capacity provided unlocks additional housing along the ELL corridor, through addressing crowding constraints on the services themselves as well as providing enhanced means of access to the network; be that via enhanced station design or connecting bus links. In addition to supporting housing growth the project supports wider economic growth in South East London by providing additional capacity, connectivity and reduced journey times to key centres of employment, including Canada Water, Canary Wharf and parts of the City.

What strategic risks do the shortlisted options carry?

Description	Likelihood	Impact
This option provides a comprehensive programme of works designed to prevent transport constraints blocking housing delivery. However, the delivery of the housing that is planned to be unlocked remains the responsibility of the private sector so the investment is subject to the risks associated with private sector housing development projects. The risk associated with this is mitigated through the strong stakeholder engagement already underway for all the major strategic sites and several of the smaller sites with the developers and Boroughs concerned to ensure delivery occurs to the required timescales.	Low	MediumHigh
The key risks generated by the rail and bus station works relate to unforeseen issues with the design and construction of these facilities that could increase costs, extend timescales and (potentially) result in the failure to deliver these enhancements. This could result in delays to the delivery of the housing unlocked in the catchments of the stations concerned, or at [REDACTED] in the case of the Canada Water bus station investment. It could also result in the failure to unlock this housing if the investments proposed are not ultimately delivered. These risks have been minimised by the design works undertaken to date and the inclusion of risk funding to ensure that any uncertainties or unknowns related to the design of the enhancements can be addressed if they materialise. TfL owns the site proposed for the train stabling facilities at New Cross which means there are no risks associated with the acquisition of the site.	Low	MediumHigh

What are the constraints related to this shortlisted option?

- ELL 20 tph timetable planning is constrained to rail industry planning processes. Failure to develop a timetable that is acceptable to all parties could result delays to service delivery and the loss of all the housing unlocked in the catchments of the ELL stations. The timetable planning process managed by Network Rail is designed to mitigate this risk by facilitating early engagement between all interested parties to enable and develop a mutually satisfactory solution.
- Private housing development is constrained / limited by attaining planning permission from local boroughs. The likelihood of this is reduced through the scheme itself, which improves local transport connects to mitigate any negative impacts of housing on the transport network. GLA will continue to work closely with both developers and local authorities in project delivery; ensuring strong working relationships mitigate against planning issues

Please provide details of any inter-dependencies related to this shortlisted option

- There is a dependency between the ELL 20 tph proposals, the station upgrade at Surrey Quays and the new station at Surrey Canal Road. Collectively these enhancements unlock the new housing proposed within the station catchments on the ELL route by addressing train service and station capacity constraints as well as ensuring the accessibility of the new developments to the ELL rail service. For example, Surrey Canal Road Station cannot be operational prior to sufficient service capacity which can only be provided once ELL 20tph infrastructure is in place and operational.

Please provide details of the exit strategy for the shortlisted options

- The ELL 20 tph service enhancement will be progressed to implementation with TfL's operator of the Overground network using established contractual processes. This will include the engagement required with Network Rail and other operators through the timetable planning process to ensure that the service can operate once the infrastructure required is completed. The rail station infrastructure provided will be handed over to TfL's operator of the Overground network to run using established contractual processes once this has been completed. The additional running time required to enable services to call at the new station at Surrey Canal Road has already been incorporated into the timetable so engagement with other operators and Network Rail is not expected to be required on this matter. TfL will also assume responsibility for the regular

operation of the new bus station infrastructure when this is completed. The operating expenditure required to enable the operation of these additional services and facilities will be committed through TfL's Business Planning process.

2. With a reduced amount of HIF funding

It is the combination of the ELL line service capacity increase and ELL station works, which together provide a step change in capacity that can support substantial housing development in the ELL corridor. As a result, significant de-scoping of the programme of works is not viable. If a reduced amount of HIF funding was made available, then the priority would be to enable the scheme elements related to the East London Line services and stations as follows:

- 20 trains per hour on the ELL
- An upgrade to Surrey Quays station
- A new station at Surrey Canal Road

Under this option the Canada Water bus station upgrade would not be progressed, as there is no other identified funding source for the works needed. [REDACTED]

Option 2 remains aligned to the overall scheme objectives; addressing transport constraints along the ELL corridor to unlock housing sites in the area. However, the volume of homes unlocked and value for money will decline, as the bus station unlocks significant housing at Conveys Wharf for a proportionately low investment.

Delivery of option 2 requires a reduced funding ask of £77,918,542 (2018/19 prices)

What strategic risks do the shortlisted options carry?

Description	Likelihood	Impact
As with option 1 the delivery of the housing that is planned to be unlocked through the infrastructure work, remains the responsibility of the private sector so the investment is subject to the risks associated with private sector housing development projects. The risk associated with this is mitigated through the strong stakeholder engagement already underway for all the major strategic sites and several of the smaller sites with the developers and Boroughs concerned to ensure delivery occurs to the required timescales.	Low	MediumHigh
The key risks generated by the rail works relate to unforeseen issues with the design and construction of these facilities that could increase costs, extend timescales and (potentially) result in the failure to deliver these enhancements. This could result in delays to the delivery of the housing unlocked in the catchments of the stations concerned. It could also result in the failure to unlock this housing if the investments proposed are not ultimately delivered. These risks have been minimised by the design works undertaken to date and the inclusion of risk funding to ensure that any uncertainties or unknowns related to the design of the enhancements can be addressed if they materialise. TfL owns the site proposed for the train stabling facilities at New Cross which means there are no risks associated with the acquisition of the site.	Low	MediumHigh

What are the constraints related to this shortlisted option?

- As per option 1 with the following additional constraint:
 - The Canada Water Bus station is subject to operational constraints that are not addressed in this option, preventing the operation of a new bus route connectivity the [REDACTED] development to the ELL. This constraint will limit the ability of the housing site to be delivered until alternative solutions are reached to provide residents with a reasonable level of public transport access.

Please provide details of any inter-dependencies related to this shortlisted option

- There is a dependency between the ELL 20 tph proposals, the station upgrade at Surrey Quays and the new station at Surrey Canal Road. Collectively these enhancements unlock the new housing proposed within the station catchments on the ELL route by addressing train service and station capacity constraints as well as ensuring the accessibility of the new developments to the ELL rail service. For example, Surrey Canal Road Station cannot be operational prior to sufficient service capacity which can only be provided once ELL 20tph infrastructure is in place and operational.

Please provide details of the exit strategy for the shortlisted options

- Refer to the comments made for Option 1 above, in relation to the rail based enhancements.

Please summarise any economic appraisal conducted for this shortlisted option, relative to the do nothing (no HIF funding) option

- Option 2: Do Something
New Homes Delivered (before displacement): 6,586
Net New Homes Delivered: 5,287
LVU (residential impacts): £739,930,960
LVU (commercial impacts): £217,598,885

External benefits of affordable housing: £1,012,178
Transport External Costs: -£2,205,540,514
Transport User Benefits: £2,036,451,286
Combined Impacts of Scheme: £789,452,794

HIF Funding per net additional home: ££21,993

Housing return on HIF Funding (based on net housing delivery): 6.4

3. Do nothing (no HIF funding)

Given the financial constraints that TfL currently faces it is unlikely that any of the scheme elements discussed above could be fully funded and progressed without support from HIF. London Overground would need to identify alternative uses for the trains earmarked for ELL 20tph elsewhere on the network; most likely replacing existing stock on the West London Line. As a result, the opportunity to address transport constraints in the corridor would be lost. Without addressing the key transport network constraints along the ELL corridor the level of service would fail to be deemed "reasonable" and prevent significant housing growth. As such in this option only that housing identified as deadweight in the economic case would be delivered (See the economic case for details or deadweight assumptions).

What strategic risks do the shortlisted options carry?

Description	Likelihood	Impact
Without investment in the transport network, addressing crowding constraints on the ELL, housing development in the area will be severely restricted. This option therefore generates a high risk that much of the housing identified as needed in the London Plan cannot be unlocked. If development does come forward on a small scale, incremental basis then overcrowding levels will become unreasonable and there will be station closures during peak hours which will undermine confidence in the area and may stymie development for a period of several years.	High	High

What are the constraints related to this shortlisted option?

- Without any invention transport network capacity constraints will continue to prevent housing sites in the ELL corridor being unlocked. Alternative sources of funds are not available; with contributions from developers constrained due the scale of the

network wide issues that need addressing to provide a robust capacity solution.

Please provide details of any inter-dependencies related to this shortlisted option

- There are no inter-dependencies to report of this option.

Please provide details of the exit strategy for the shortlisted options

- Not Applicable for this Option

Please summarise any economic appraisal conducted for this shortlisted option, relative to the do nothing (no HIF funding) option

- Option 3 is the do-min therefore economic appraisal results are not applicable.
It is assumed option 1 should be uploaded in this space therefore please see Option 1 results for your information:

New Homes Delivered (before displacement): 11,586
Net New Homes Delivered (after displacement): 9,287
LVU (residential impacts): £990,447,309
LVU (commercial impacts): ££259,945,986
External benefits of affordable housing: £2,195,426
Transport External Costs: -£3,424,610,000
Transport User Benefits: £3,162,060,000
Combined Impacts of Scheme: £990,038,720

HIF Funding per net additional home: £12,988

Housing return on HIF Funding (based on net housing delivery): 8.2

This option delivers a significant return on investment based on the housing impacts. It is a strong contender for the preferred option on this basis, given that the alternative option results in a large reduction in the net additional number of homes delivered for a relatively small reduction in costs.

Options Summary

Please summarise why the preferred option, with the requested HIF funding, has been chosen and why the other shortlisted options have been discounted - this should make reference to advantages and disadvantages of the options in relation to scheme objectives and CSFs

Option 1 has been identified as the preferred option because it maximises the level of compliance with the scheme objectives and CSFs. The position regarding compliance with the scheme objectives is described further below:

- Facilitation of the delivery of additional housing across LB Southwark and LB Lewisham. Option 1 unlocks 14,003 homes; 5,000 more than Option 2 by delivering the bus link to the [REDACTED] development. This provides significant support to achieving housing targets in both LB Southwark and Lewisham.
- Facilitation of the delivery of additional affordable housing across LB Southwark and LB Lewisham. 35% of housing delivered in option 1 is estimated to be affordable housing, split between 20% affordable homes for private sale, and 15% homes available for affordable rent. Overall Option 1 unlocks 1,750 more affordable homes than Option 2 by additionally [REDACTED]
- Support for Canada Water masterplan. Both option 1 and 2 provide enhanced ELL access to the Canada Water masterplan area; crucially through a new station entrance at Surrey Quays, alongside service frequency improvements. Additionally, option 1 also improves the accessibility of the site from the east and the west over and above that of Option 2. This is due to the ability to provide a new bus service between Greenwich and London Bridge, increasing the volume of persons able to access the retail, leisure and job opportunities provided. This access is provided on a sustainable basis using public transport modes, reflecting "good growth" principles. The bus link provided delivers valuable additional capacity on an alignment where the existing Underground route (the Jubilee line) suffers from severe congestion during peak periods;

- Relieve crowding on the ELL improving capacity and passenger experience; is delivered by both option 1 and 2. The combined delivery of additional train frequency, Surrey Quays station upgrade and a new station at Surrey Canal Road provides a significantly improved ELL service for new and existing passengers. Crowding levels on services will be reduced to below 4 people per m² when trains operate at 20tph, over today's 16tph. Similarly, a new entrance at Surrey Quays will relieve gate line congestion and improve passenger experience when using Surrey Quays station. At present PTALs for the [REDACTED] development are poor, between 1b and 2. Access to the ELL is limited to walking to Surrey Quays or Queens Road Peckham. A new station provides direct access to the site, unlocking the development through provision of a high quality public transport connecting residents to key employment and transport interchange locations.
- Improve the capacity and accessibility of Surrey Quays Station; is delivered by both option 1 and 2. Surrey Quays is a key station on the ELL with over 4.6m entries and exits annually. The high passenger numbers, alongside peak time crowding on trains can lead to station congestion and closures. A new station entrance to support passenger growth and provide direct access to the North side of Lower Road reduces entrance pressures. Passengers from the North, ie. the Canada Water masterplan site, will not need to navigate Lower Road reducing health and safety concerns associated with station overflows in the peaks, and minimizing interactions between pedestrians and highway traffic on a strategic road in the area.
- Support economic growth in South London. The preferred option unlocks additional housing at [REDACTED] as well as providing additional transport links to the Canada Water development compared to Option 2, as described above, providing better support for economic growth in South London.

The position regarding compliance with the CSFs is described further below. The CSFs are described in detail in para 2.4.2.

- Strategic Fit and Need (CSF1, 2 and 3). The preferred option delivers 5,000 additional housing units compared to Option 2 as well as providing valuable additional transport links that support the objectives of the London Plan and the ongoing development of the Opportunity Area at Canada Water;
- Value for Money (CSF4, 5 and 6). The preferred option provides additional bus services compared to Option 2 which improve the connectivity of the Canada Water site and support the [REDACTED] development, improving the accessibility of the public transport network, increasing its usage and the revenue derived from this. The additional bus service parallels the part of the Jubilee line route so will help to mitigate severe congestion on the Jubilee line during peak periods;
- Deliverability (CSF7, 8 and 9). The preferred option carries no significant additional delivery risk compared to Option 2. The additional activities it undertakes (the bus station works at Canada Water) are low risk;
- Affordability (CSF10). The additional capex incurred by the preferred option compared to Option 2 has been costed with the inclusion of an appropriate level of risk alongside the remainder of the costs. The net opex required to support the additional bus services can be sourced from the funds available within the TfL Business Plan to support future bus service enhancements. The preferred option does not therefore carry any significant additional financial risk compared to option 2.

While both options meet the scheme objectives to varying degrees option 1 is the preferred option; delivering nearly 5,000 additional homes compared Option 2; through unlocking development at the [REDACTED] development. The land value uplift and return on the HIF investment in option 1 is therefore the strongest option considered and taken forwards as the preferred scheme for detailed economic assessment.

Please provide a summary of the impact should funding not be received

The funding requested as part of this HIF bid will provide the required capacity on the East London Line to relieve capacity constraints allowing the network to provide a reasonable level of service for both new and existing passengers. Without any funding the ELL will continue to suffer from a) on board crowding levels over 4 people per m², b) congestion and associated health and safety issues at station entrance points and c) poor connectivity from potential development sites at [REDACTED]. Ensuring the transport network can reasonably support the demands placed on it from new housing developments is a critical element of sustainable growth and hence an important pillar of the planning process. As such there is a fundamental link between resolving ELL constraints and supporting sustainable housing growth in its surrounding area.

Should the request for HIF funding be unsuccessful, the investment needed to address the network's transport issues will not be available. As a result, housing growth in the area will be hindered, as developers and the local planning authorities struggle to identify deliverable solutions. Alternative funding sources have been considered however the nature of the scheme, including the need for significant upfront costs, results in market failure preventing private investment being a viable option. Similarly, TfL is facing unprecedented financial pressures – its public sector subsidy (including both Government grant and Business Rates) are the lowest

since the formation of TfL, and they are now running a significant deficit of £1bn per year. Given the transport schemes linkages to housing development the HIF provides an important and relevant source of funding that allows the opportunities for development in Southwark and Lewisham to be capitalised on quickly.

TfL has already invested in the purchase of additional trains; and this bid will build on and optimise that initial public expenditure by using the rolling stock to not only enhance the Overground service but target locations where significant housing developments can be unlocked. The implications of not receiving the HIF funding are as follows:

- The signaling and train staling works as well as the power upgrade needed to allow 20tph operation would not be delivered. Service frequencies would therefore remain as today (16 tph), while crowding from background growth and deadweight developments would continue to increase crowding constraints on both services and station movements.
- Surrey Quays station would remain as today with only one entrance on the South Side of Lower Street. Station demand will continue to increase with station closures at peak times likely to become more of a regular occurrence as passenger's struggle to board services and station congestion levels are high.
- A new ELL station at Surrey Canal Road will not be delivered. Connectivity in the area will therefore be limited with low PTALs restricting the appeal and viability of the location as a development site. The station is a specific condition for the [REDACTED] development and without this the site cannot be delivered.
- Capacity at the Canada Water bus station will be fully utilized, preventing new services operating through the station. This limits the ability to operate connecting services for development sites situated further from the ELL. This is of particular importance to [REDACTED] where the sites development is dependent of sufficient bus connections to Canada water being provided. Without the infrastructure at the station bus services are not able to operate which prevents housing being unlocked.

Overall the lack of infrastructure investment results in the delivery of 14,003 less homes; as growth is heavily hindered by transport constraints. At this point in time no alternative options for delivery have been identified; and has noted above the funding constraints are comprehensive. While in the longer term it is possible that new funding sources could be identified; by this point the opportunity to utilise the currently earmarked rolling stock may have passed, and the investment needed to unlock the same level of housing could increase – reducing the return. The GLA have strong relationships with developers progressing schemes in the area which along with the rolling stock provides a strong starting point for the project; which can be capitalised on now to optimise scheme outcomes.

If you have any further information to support your options appraisal, which has not already been captured in the above, please include these here

Filename	Description
ELL HIF Options Assessment Table.pdf	Options Assessment Table

Economic Case

Net Present Value (NPV) of housing benefits

Please provide the estimated NPV (in 2018/19 prices) of the additional housing benefits (as monetised using land value uplift) of the preferred option relative to the do-nothing option

£990,447,309

Please provide the estimated NPV (in 2018/19 prices) of the current use land value for the scheme overall (before additionality adjustments)

£511,515,998

Please provide the estimated NPV (in 2018/19 prices) of the site specific residential land value for the scheme overall (before additionality adjustments)

£2,272,826,358

Please provide the undiscounted values used to estimate the residential land value calculation across all sites

GDV (compliant with the Economic Case guidance)	£11,176,407,381
Build costs	£4,733,803,611
Externals	£723,790,579
Professional fees	£421,070,743
Sales costs	£288,790,896
Finance costs	£298,229,627
Contingencies	£236,690,181
Developer profit	£1,410,511,125
Please provide the additionality % assumed for the scheme (deadweight and displacement)	50 %

Please provide a detailed explanation of the method and assumptions used to derive the deadweight and displacement estimates. As part of this, an estimate of deadweight for each site individually must be provided, by illustrating how the homes/each site are linked to the infrastructure

See Attachment "ELL HIF Economic Case Appendix-LVU Method Note.pdf" for all economic case responses

In considering our assessment of deadweight, it is important to refer to the process by which we have identified our dependent sites, summarised within Section 4.1.7. Firstly, sites have only been included around ELL Overground Stations where there will be an identified constraint in the available future year peak period northbound train capacity. An 800m catchment area has then been applied to identify potential sites around each station. Sites were excluded where development has commenced or where a planning permission was in place, unless a specific planning requirement for infrastructure improvements was incorporated into the permission. For examples, this is the case for [REDACTED] (where S106 contributions are required for improved bus services to Canada Water) [REDACTED].

This approach has resulted in a large number of sites located across the catchment area of the ELL being excluded from the assessment. Whilst not individually referenced within the submission, and so not included within our deadweight figures, this represents a significant number of sites and dwellings that are

considered will come forward without the HIF transport infrastructure provision.

As set out within the Strategic Case, there is a clear case of market failure relating to the thirteen identified dependent sites as there is a need to provide infrastructure that no developers are able, or willing, to fund, even collectively. This provides the underlying basis for the assessments of deadweight, as the scale of development on many of the sites will not be acceptable, in planning terms, without significant enhancement to transport provision.

Site-specific assessments of deadweight have been undertaken for all the identified medium/large sites (over 150 units), as follows:

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

- [REDACTED]
[REDACTED]
[REDACTED]

For the smaller sites, some more generally assumptions have been applied across groups of sites, that reflect their combined characteristics:

- [REDACTED]
[REDACTED]
[REDACTED]
- [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
- [REDACTED]
[REDACTED]
[REDACTED]

Overall, it has been estimated that 21% of dwellings would come forward across all of the sites without the proposed HIF transport infrastructure enhancements.

It is important to note that the assessment of deadweight excludes a range of very small sites within the catchment area of station around the ELL that are likely to be subject to development and intensification. These could be included within the calculation of deadweight, as they will come forward without HIF, however, due to the size of the sites there is no site-specific information to report. While these sites are not unlocked by the HIF infrastructure investment, their delivery could potentially be accelerated, and any impact of accelerated development would be in addition to the impacts specified in this application.

Given the strong market conditions and high proportion of affordable housing we expect the development to be highly additional.

The strength of the local housing market is a clear indicator of the low level of displacement likely to be generated by a development. Average residential values in Surrey Quays are significantly higher than the London average. For example, a new build two-bedroom property in Surrey Quays costs £550,000 on average, which is compared to the London average of £510,000. This reflects the high levels of demand for property in the local area, suggesting low levels of displacement.

It is well documented that London has seen rapid house price growth in recent years and both Southwark and Lewisham have experienced growth above the London average. Over the past five years, house prices grew by 10% in Lewisham and 8% in Southwark, compared to 7% in London and 4% across England. Lewisham and

Southwark have also experienced faster growth over the past 10 and 20-year periods.

Information on the ratio of local house prices and incomes shows that housing has become more unaffordable in Lewisham and Southwark. This is a reflection of the fast growth in house prices in those areas. House prices are now more than 15 times average income in Southwark and 12 times average income in Lewisham, compared to 7 times average incomes in England. This is a reflection of the high market demand across the area and the strength of local housing markets. This strength, in itself, provides strong evidence that there would be relatively low displacement generated by the developments in the Surrey Quays and [REDACTED] areas.

The London Plan identified a lack of supply in London and indicates that this has played a significant role in London's housing crisis. The site will make a strategic contribution to the London plan, which has set out annual housing requirements for each borough. Lewisham has been set a target delivery of 21,170 homes over ten years, or 2,117 annually, while Southwark has been set a target of 25,540 over ten years, or 2,554 annually. These housing targets are relatively high compared to those of other planning authorities. Over the next ten years, these plans will deliver 13% of the Lewisham target and 10% of the Southwark target.

The population of South East London is projected to grow by 235,000 over the 2011-2031 period, on average over 11,700 per annum. Southwark and Lewisham have experienced sustained growth over recent years. These population growth rates have outstripped the housing delivery rates in the boroughs, adding to the upward pressure on demand and house prices. Given the extent to which demand and prices have been rising, it is unlikely that this scheme would generate significant displacement.

Research undertaken by GLA Economics to inform the HIF submissions and to assess levels of displacement across London. This concluded that typical displacement rates are only between 10% and 20%, reflecting the strength of the London housing market. Specific levels of displacement related to both the strength of market within local areas, as well as the levels of affordable housing being delivered. Those sites delivering very high levels of affordable housing, with strong local housing markets, resulted in displacement levels towards 10%.

As evidenced above, the strength of the local housing market within Surrey Quays and [REDACTED] area is considered to be above the London average. In addition, the levels of affordable housing committed to across the identified developments are, on average, just under 35%, ensuring provision is not just targeted at higher-income populations.

On the basis of the evidence, we have applied a typical displacement assumption of 20% across all sites that will deliver between 30% to 35% affordable housing. [REDACTED] This generates an overall average displacement level across all of the sites of 19.8% of dwellings. This is considered to be a relatively conservative approach given the evidence set out within the GLA research.

Additionality Summary

Of the 14,003 gross homes identified on dependent sites, 2,417 (or 21%) are expected to be delivered without HIF fund. Of these, a further 2,779 (or 19.8%) are expected to be displaced from the wider Greater London region.

This results in 8,807 net homes delivered or an additionality factor of 63% (based on housing units). In the context of MHCLG appraisal guidance, this places it within the 'medium' additionality level, which is considered to be an appropriate reflection of both the dependency of the sites upon the additional transport capacity delivered by the HIF bid, the level of affordable housing delivered across the sites, and the underlying strength of the local housing market.

It is important to note that the additionality percentage is applied to dwellings, but expected sales prices and build costs will vary across the assessment area. The impact on LVU will vary according to the existing and future land values associated with each site and on this basis, the additionality factor applied to the LVU estimate is 56%. The associated discounts to land values are set out in Table 4.1.7.

Please provide a detailed explanation of the method and assumptions underlying the estimates of NPV of residential land value, NPV of current use value, and NPV of additional housing benefits above, as outlined in the Economic Case guidance

See Attachment "ELL HIF Economic Case Appendix-LVU Method Note.pdf" for all economic case responses

The economic impacts of the direct housing benefits set out above have been assessed through Land Value Uplift in line with the MHCLG Appraisal Guide and Green Book. The main assumptions underpinning our approach are considered in turn below. Housing benefits have been estimated over a 60-year appraisal period, with future values discounted by 3.5% a year for years 1-30 and 3% a year for year 31-60 in line with Green Book Guidance. We have assumed that land values will increase at 5% per annum in real terms. This is benchmark assumption provided in the Forward Funding Business Case Guidance for sites where no local market assessment is available. It is below mean annual house price growth in Lewisham and Southwark over the last 5, 10 and 20 years. Over the past five years, mean house prices in Lewisham have grown 10% annually, while Southwark has observed 8% annual growth. Growth rates were slightly lower over the past 10 years, but still higher than the 5% benchmark assumption. Alongside the fast house price growth seen in Lewisham and Southwark, residents also face high house affordability ratios. London has a significant problem with housing affordability where, in 2016, the ratio between the 25th percentile of house prices and the 25th percentile of incomes was 13.5. The housing affordability ratios of 12.5 in Lewisham and 15.5 in Southwark show that the two boroughs are representative of the wider London issue. These can be compared to a housing affordability ratio of 7.2 in England.

Assessment Sites

In line with the Strategic Case, the economic case has assessed the land value uplift associated with known development sites located within 800 metres around Surrey Quays and the proposed Surrey Canal Road Station. These stations were identified because:

Trains running through **Surrey Quays** station are forecast to be over-capacity by 2031, which will limit the available level of development within the wider area as this will result in an inadequate transport service. Railplan modelling confirms that the capacity unlocked by the capacity improvements will be sufficient to unlock the level of development proposed in this business case.

Surrey Canal Road is a proposed station that is necessary to unlock housing in the [REDACTED]

Canada Water – while there is available capacity at this station (as many Overground users switch to the Jubilee line) some interchange capacity enhancements are proposed which will help facilitate the [REDACTED] at Canada Water (although as dependency is more difficult to demonstrate in this instance, we have not sought to capture this in the assessment below). In addition, [REDACTED] while more than 800 metres from Canada Water is dependent on upgrades to the bus

interchange at Canada Water to allow a direct service from the new development and overcome local public transport accessibility constraints.

Sites were excluded where development has commenced or where a planning permission was in place, unless a specific planning requirement for infrastructure improvements was incorporated into the permission. For examples, this is the case for [redacted] (where S106 contributions are required for improved bus services to Canada Water) and [redacted] - [redacted] (where a Grampian condition has been imposed on the development which requires the construction of a new station – Surrey Canal Road).

Table 4.1.1: Development Sites

Site #	Site Name	Relevant Station	Total Dwellings	Start Date for Completions	End Date for Completions
1	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
1	[REDACTED] [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
1	[REDACTED] [REDACTED] [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
1	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
1	[REDACTED]	[REDACTED] [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
1	[REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
1	[REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
1	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

- **Unit size mix.** The unit size mix for Surrey Canal Road [REDACTED] is based on the relevant planning consents. The size mix for he [REDACTED] is based on information provided by the developer. For the smaller sites, the unit size mix is based on policies from the relevant Local Plan.
- **Sales values:** Sales values assume 100% market housing.

Sales values for the [REDACTED] based on information provided from the developer, taken from their development appraisal.

Sales value for Surrey Canal Road are based on estimated sales values (based on average unit sizes and sales vales psm) taken from the 2015 Development Appraisal. These have been updated at 2% a year for three years to reflect out land value growth assumptions.

Sales values for all other sites are based on a local market assessment of achieved sales prices for new build developments in the area (based on 1, 2, 3, and 4 bed properties). We have considered the following three market sub-areas: Surrey Quays, Deptford, and South Bermondsey.

Table 4.1.2: Unit Size Mix

Site	Site	Studio	1Bed	2Bed	3Bed	4Bed	0	Total
1	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
1	[REDACTED] [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
1	[REDACTED] [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
1	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
1	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
1	[REDACTED] [REDACTED] [REDACTED] [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
1	[REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
1	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
1	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
1	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

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The assumptions set out above have informed our assessment of scheme GDV and the calculation is set out in Table 4.1.3. As set out above, in addition to GDV expressed in current prices, we have also set out the impact of uprating GDV by 5% per annum (based on the estimated phasing of housing delivery) and the present value.

Table 4.1.3: GDV Calculation

Site #	Site	Total Dwellings	Average Sales Value per Dwelling	GDV
1	[REDACTED]	1	[REDACTED]	[REDACTED]
1	[REDACTED] [REDACTED]	1	[REDACTED]	[REDACTED]
1	[REDACTED] [REDACTED]	1	[REDACTED]	[REDACTED]
1	[REDACTED]	1	[REDACTED]	[REDACTED]
1	[REDACTED]	1	[REDACTED]	[REDACTED]
1	[REDACTED] [REDACTED] [REDACTED] [REDACTED]	1	[REDACTED]	[REDACTED]
1	[REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]	1	[REDACTED]	[REDACTED]
1	[REDACTED]	1	[REDACTED]	[REDACTED]
1	[REDACTED]	1	[REDACTED]	[REDACTED]
1	[REDACTED]	1	[REDACTED]	[REDACTED]

■ [REDACTED] ■ [REDACTED] [REDACTED]

■ [REDACTED] ■ [REDACTED] [REDACTED]
[REDACTED]

■ [REDACTED] ■ [REDACTED] [REDACTED]
[REDACTED]

[REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

Build Costs

Build costs have been estimated on the following basis:

- [REDACTED]
[REDACTED]

[REDACTED]

[REDACTED]

For other developments we have applied the Space Standards from the Draft London Plan. To provide a conservative estimate, we have used the maximum floorspace for each unit type (including storage), which ranges from 59.5 sqm for a 1-bed and 133 sqm for a 4 bed, so consider this to support a conservative estimate of land value uplift.

Contingency of 5% has been applied to all of the basic build costs for housing.

- The following additional costs have been estimated in line with MHCLG Guidance (Land Value Estimates for Policy Appraisal, May 2017) for all sites except [REDACTED] where we have applied the specific values confirmed by the developer.
 - **Externals** – 15% of basic build costs
 - **Professional fees** – 8% of basic build costs
 - **Marketing / sales costs** – 3% of sales price / GDV
 - **Developer profit** – 17.5% of GDV for market housing (n.b. this will be lower than the GDV presented below which assume 100% market housing. In line with the Montagu Evans report, we have assumed that GDV on Shared Ownership is 51% of the level achieved for market housing and 44% for Affordable Rent).
 - **Finance cost** – we have assumed that these are 6% of the development costs.

The estimated development costs are set out in Table 4.1.4 below.

Table 4.1.4: Development Costs

	Current Prices	Uprated for Land Value Growth	Present Value
Total Dwellings	14,003		
Average Build Cost for all Dwellings	£222,859		
Basic Build Costs	£3,120,691,614	£4,970,493,791	£3,561,678,777
Externals	£453,143,050	£723,790,579	£517,572,063
Professional Fees	£265,747,680	£421,070,743	£302,875,748
Sales Costs	£181,730,350	£288,790,896	£207,274,738
Finance Costs	£187,241,497	£298,229,627	£213,700,727
Developer Profit	£896,873,393	£1,410,511,125	£1,020,107,992
Total Build Costs	£5,105,427,585	£8,112,886,762	£5,823,210,046

Residential Land Values are therefore estimated to be £2.3 million (PV), calculated as follows:

Table 4.1.5: Residential Land Value Calculation

	Current Prices	Up-rated for Land Value Growth	Present Value
Gross Development Value	£7,122,233,816	£11,176,407,381	£8,096,036,404
Build Costs	£5,105,427,585	£8,112,886,762	£5,823,210,046
Residential Land Value	£2,016,806,231	£3,063,520,619	£2,272,826,358

Existing Land Values

All of the existing sites are currently utilised for light industrial uses and we have applied the MHCLG benchmarks for Inner London – South in the absence of more site-specific information for all sites except the [REDACTED] [REDACTED]. Some sites are currently vacant or in very poor condition and heavily under-utilised given their location and this benchmark value is therefore expected to over-estimate the existing values of these sites.

These are figures based on a 2017 assessment and have been uprated by 5% to take account of land value growth between 2017 and 2018.

[REDACTED]
[REDACTED]. This figure has been provided by [REDACTED] and is consistent with the land acquisition value provided in their 2018 development appraisal, after removing the premium to incentivise the landowner to release the site for development (i.e. the hope value).

Based on the assumptions set out above, we estimate the existing land values to be £512 million.

Site		ha	Value per ha	Land Value
	■	■	■	■
	■	■	■	■
	■	■	■	■
	■	■	■	■
	■	■	■	■
	■	■	■	■
	■	■	■	■
	■	■	■	■
	■	■	■	■
	■	■	■	■
	■	■	■	■
	■	■	■	■
	■	■	■	■
	■	■	■	■

Net Present Value of Housing Benefits

Drawing on the assumptions set out above, as well as the assessment of additionality in the previous section, we have estimated the NPV of housing benefits (based on land value uplift) to be £990 million after accounting for existing land values, deadweight and displacement.

Present Value

Gross Development Value	£8,096,036,404
Associated Development Costs	£5,823,210,046
Estimated Future Land Value	£2,272,826,358
Estimated Values of Existing Uses	£511,515,998
Land Value Uplift - Gross	£1,761,310,361
Deadweight (@21% of Dwellings)	£525,179,060
Displacement (@19.8% of Dwellings)	£245,683,991
Land Value Uplift - Net	£990,447,309

No attachments

NPV of external impacts of additional housing

Please provide the estimated NPV (in 2018/19 prices) of external impacts of additional housing from the preferred option relative to the do-nothing option

Type	Summary of impact	NPV of impact
Affordable Housing	Health Impact of Improved affordable homes	£2,195,426
Transport External Costs	Impact on local transport network of new development	£-3,424,610,000

Please provide a detailed explanation of the method and assumptions underlying these estimates, as outlined in the Economic Case guidance

See Attachment "ELL HIF Economic Case Appendix-LVU Method Note.pdf" for all economic case responses

Type	Summary of Impact	NPV of Impact
Affordable Housing	Health impacts of improved affordable	£2,195,426
Transport External Costs	Impact on local transport network of new development	-£3,424,610,000
Total		-£3,422,414,574

The external impacts of the development include affordable housing and transport external costs. These are considered in turn below.

The assessment of affordable housing is based on the guidance from the DCLG Appraisal Guide which states that the health impacts of improved affordable housing amount to £2,400 per affordable rented dwelling.

The associated external impact has been estimated as follows:

- The level of affordable rented properties has been estimated by applying relevant local plan policies to the housing trajectory for each site of the small sites. This is:
 - 15% of housing in Lewisham (or circa 40% of the 50% affordable housing provision on each site).
 - 10% of housing in Southwark (or 40% of the 35% affordable housing provision on each site).
 - 18% of housing in [REDACTED] (based on the site-specific information provided in the Mayoral Decision, which assumed 33% affordable housing, of which 55% is affordable rented).
 - 10% of housing at the [REDACTED] (based on information provided by the developer stating that 35% of housing will be affordable and 40% of this will be affordable rented).
 - 10% of homes on [REDACTED] (based on 35% affordable homes, of which 28% will be affordable rented).

- Affordable housing provision has been discounted by the relevant displacement factor for each site.
- Deadweight has been considered by deducting affordable housing provision associated with the reference case (where we have also applied the site-specific level of displacement).

The headline figures are set out in the table below.

Table 4.2.2: Net External Impacts of Affordable Housing - update

	Preferred Option	Reference Case	Uplift over the Reference Case
Total Homes	14,003	2,417	11,586
Affordable Rented Homes	1,839	248	1,591
Displacement	276	37	239
Affordable Rented Homes Post Displacement	1,563	211	1,352
External Impact per Affordable home	£2,400	£2,400	£2,400
External Impact of Affordable homes (Current Prices)			£3,245,320
External Impact of Affordable homes (Present Value)			£2,195,426

The approach for estimating Transport User Costs is set out in the application form.

No attachments

NPV of infrastructure impacts

Please provide the estimated NPV (in 2018/19 prices) of infrastructure impacts, and any other monetised impacts not captured above, from the preferred option relative to the do-nothing option

Type	Summary of impact	NPV of impact
Non-Residential Land Value	Additional land value uplift associated with the non-residential uses accommodated on site.	£259,945,986
Transport User Benefits	Monetised impact of transport improvements on the existing population	£3,162,060,000

Please provide a detailed explanation of the method and assumptions underlying these estimates, as outlined in the Economic Case guidance (incl annex A)

See Attachment "ELL HIF Economic Case Appendix-LVU Method Note.pdf" for all economic case responses

Type	Summary of Impact	NPV of Impact
Non-Residential Land Values	Additional land value uplift associated with the non-residential uses accommodated on site.	£259,945,986
Transport User Benefits	Monetised impact of transport improvements on the existing population	£3,162,060,000
Total		£3,422,005,986

Commercial Property Impacts

In addition to the residential uses, the developments are also expected to provide a range of commercial uses, as set out in the table below. These uses will further increase the value of the land on which the development will occur, and this impact has been estimated below. Overall, around 430,000 sqm of non-residential floorspace is expected to come forward in the preferred option. The vast majority space is expected to come forward at the [REDACTED]

Where deadweight is assumed for each site, we have assumed that an equivalent proportion of commercial space would be delivered in each option.

We do not have complete information for the smaller sites and so this will be an underestimate of the overall provision on non-residential uses, but provides an indication of the potential scale of impacts.

Table 4.3.1: Commercial Uses (sqm)

	Retail	Office	Light Industrial	Industrial / Warehouse	Community Facilities	Total Floorspace
2010	1,000,000	1,000,000	1,000,000	100,000	1,000,000	4,100,000
2011	1,000,000	1,000,000	100,000	1,000,000	100,000	4,200,000
2012	1,000,000	1,000,000	100,000	1,000,000	100,000	4,200,000
2013	1,000,000	1,000,000	100,000	1,000,000	100,000	4,200,000
2014	1,000,000	1,000,000	100,000	1,000,000	100,000	4,200,000
2015	1,000,000	1,000,000	100,000	1,000,000	100,000	4,200,000
2016	1,000,000	1,000,000	100,000	1,000,000	100,000	4,200,000
2017	1,000,000	1,000,000	100,000	1,000,000	100,000	4,200,000
2018	1,000,000	1,000,000	100,000	1,000,000	100,000	4,200,000
2019	1,000,000	1,000,000	100,000	1,000,000	100,000	4,200,000
2020	1,000,000	1,000,000	100,000	1,000,000	100,000	4,200,000

To estimate the land value of these uses, we have estimated their expected land value and deducted the estimated build costs. These are considered in turn below.

Commercial Property Values

Non-resi property values have been provided for the [REDACTED] by the developer based on their existing development appraisal and we have applied these on a sqm basis to the [REDACTED]

The non-resi values for the [REDACTED] are set out below.

- [REDACTED]

- [REDACTED]

- [REDACTED]

We consider these values to be too high for the other sites as the nature and scale of development is likely to be significantly different to what will come forward elsewhere in the area. We have therefore undertaken a local market assessment around Deptford and South Bermondsey using CoStar 2018 Data to assess the likely values of commercial development. This has been possible for office and retail space, however there is insufficient information for leisure uses. For this space we have assumed that leisure floorspace will achieve an equivalent proportion of retail space as it is expected to at Canada Water. Our assumptions are set out below.

[REDACTED]

- [REDACTED]

- [REDACTED]

- [REDACTED]

[REDACTED]

- [REDACTED]

- [REDACTED]

- [REDACTED]

We have not estimated the value of community uses as these are not typically traded and market level data is unavailable for these uses. However, they will be expected to deliver an additional community benefit to the area in addition to the figures presented here.

Commercial Development Costs

Commercial development costs for [REDACTED] have been provided by the developer and directly input into our assessment.

For the [REDACTED], build costs psm are available from the 2015 Development Appraisal and have been uprated to 2018 prices based on the land value growth assumption. We have applied also these costs to [REDACTED] as this is a closer match to this site [REDACTED]. The build costs are:

[REDACTED]

- [REDACTED]
- [REDACTED]
- [REDACTED]

For all other sites:

- [REDACTED]
- [REDACTED]
- [REDACTED]

Commercial Displacement

While the demand for commercial space across London will be significant, the market is not overheating to the extent that it is for housing. Furthermore, as this location is outside of the CAZ, it is reasonable to assume that displacement will be higher than for housing.

Given this, we have assumed displacement of 50% across all commercial uses. This is in line with a medium level of additionality, set out in the MHCLG Appraisal Guide, which we consider to be reasonable for an Inner London location.

Summary of Commercial Impacts

The commercial impacts are estimated to have a combined net impact of £337 million (present value), based on the assumptions set out above.

Table 4.3.2: Commercial Uses (sqm)

	Retail	Commercial	Hotel	Leisure	Total
Proposed sqm	84,224	260,031	37,070	25,135	406,460
Value per sqm	£6,327	£8,411	£5,805	£2,413	
Total Value (current prices)	£532,901,786	£2,187,052,792	£215,178,478	£60,660,755	£2,995,793,811
Total build costs (current prices)	£259,820,706	£951,858,567	£85,826,318	£108,490,386	£1,405,995,976
Additional Build Costs					£822,203,293
Gross Land Value (current prices)					£767,594,541
Displacement @50%					£383,797,271
Deadweight					£153,160,113
Net Land Value (current prices)					£230,637,158
Net Land Value (with land value growth)					£350,153,254

Net Land Value (Present Value)

£259,945,986

No attachments

NPV of scheme costs

Please provide the estimated NPV (in 2018/19 prices) of infrastructure scheme costs (and revenues) as incurred by the following groups under the preferred option relative to the do-nothing option, ensuring no double counting of any costs included in prior answers – NPV of housing benefits, NPV of external impacts of additional housing, and NPV of infrastructure impacts

Type		Total Nominal Amount	NPV (18/19 constant prices)
HIF funding	Cost	£86,680,000	£73,950,000
	Revenue	£0	£0
Central Government	Cost	£0	£0
	Revenue	£0	£0
Local Authority	Cost	£2,494,210,000	£364,540,000
	Revenue	£3,696,880,000	£513,840,000
Other public sector	Cost	£0	£0
	Revenue	£0	£0
Private sector (not developer contribution)	Cost	£0	£0
	Revenue	£0	£0
Private sector (developer contribution)	Cost	£17,350,000	£13,630,000
	Revenue	£0	£0
Optimism Bias applied to <i>Total Public Sector Costs</i>	Cost	£49,600,000	£46,670,000
Optimism Bias applied to <i>Total Private Sector Costs</i>	Cost	£5,100,000	£4,360,000
Real Net Present Public Sector Cost		£-28,680,000	
Real Net Present Private Sector Cost		£17,990,000	

Please provide a detailed explanation of the method and assumptions underlying all estimated costs, as outlined in the Economic Case guidance

Operating costs

Operating costs are calculated from available contract costs and unit costs based on TfL's knowledge of rail and bus operations.

For East London Line 20tph, rolling stock lease costs are based on existing rolling stock contracts. Track and station access charges are calculated from ORR price lists and maintenance costs are based on existing rates. Staff costs are based on existing driver costs. Operating costs of stabling facilities are also included.

Surrey Canal Road operating costs include station staff, cleaning and maintenance, ticket gate maintenance and utilities. Unit costs are sourced from existing station costs.

Bus costs relate to the cost of operating 7.5 buses per hour serving [REDACTED] between Greenwich, Canada Water and London Bridge as well as maintenance costs of the new bus stands.

Surrey Quays station costs are made up of additional staff, building maintenance and cleaning and the operation of ticket gates, ticket machines and lifts.

Costs are assumed to increase at RPI, CPI or with the cost of real wages as appropriate.

Revenue

Revenue is calculated from the change in public transport trips modelled in Railplan. The model calculates the additional public transport trips that will be generated by both the dependent development and the increase service levels operated by East London Line and buses. The figures include the effect of mode switch from car to public transport but do not take account of switching between different public transport modes. Demand is calculated for the modelled years, 2021 and 2031 and an average yield was applied to calculate revenue. The revenue profile is then adjusted to match the profile of housing development which concludes in 2038 for Option 1. No further growth in revenue is assumed after 2038.

A build up factor is applied to revenue in the early years with 30% in the first year followed by 75%, 90% and 100% in subsequent years. This is TfL's standard build up profile. Fares are assumed to increase at RPI.

Capital costs

The rail capex costs have been calculated using the standard Network Rail GRIP design process and have been derived in part from consultancy reports procured and reviewed by TfL. They have also been derived from internal cost estimating work undertaken within TfL. A full estimate report for each infrastructure component has been uploaded to clarify assumptions underpinning the estimating exercise for each project.

The bus station costs are built up based on similar historic projects and include allowances for design, delivery and risk. The scope of the works is not unique and therefore a significant amount of historical data has informed the estimate. In addition, the scope includes items that have a standard unit rate in existing, or recent contracts, and the estimates have been developed based on that.

Further details of how the capital costs have been derived are set out in the financial case

Housing Costs

The Local Authority Cost also includes £17.5 million (£15.8 million at 2019/19 present value) from the Mayors Strategic Investment Fund. This funding has been allocated to help unlock the first phase of development at Canada Water.

All further housing costs are to be funded by the private sector.

Further details of housing cost estimates are detailed in the financial case.

No attachments

Non-monetised impacts

Are there any impacts it is not feasible or proportionate to monetise?

Yes

Details, including an indicative scale of impact and why these have not been monetised

See Attachment "ELL HIF Economic Case Appendix-LVU Method Note.pdf" for response including tables referenced.

As identified earlier in this application, the infrastructure package to be funded through HIF will unlock 13 housing sites, including three large scale sites which will together provide 14,003 new homes (before accounting for additionality). The economic assessment set out in this chapter will capture the private benefits associated with the new housing, the public benefit associated with affordable housing provision, and any benefits to existing transport users associated with the capacity and frequency improvements. However, there are a broad range of wider public or external benefits that have not been monetised as either: (i) there is no established methodology for monetising such benefits or (ii) it would not be proportionate to do so (in line with the Green Book guidance). An overview of these benefits is set out below and include:

- The wider external benefits associated with the regeneration and redevelopment of former industrial or commercial areas that are either under-utilised or derelict
- The new employment that will be accommodated in the non-residential uses associated with the three developments
- Wider strategic benefits relating to London's future employment and housing growth which will be facilitated by large scale developments such as these.

1. Wider Regeneration and Redevelopment Impacts

The features of each of the major development sites set out below are considered to provide benefits in addition to land value uplift as these benefits will accrue to non-residents through

- The redevelopment of under-utilised industrial areas within the assessment area, including at [REDACTED] and [REDACTED] (supporting the wider regeneration and development proposals for this area).
- The conversion of lower density employment locations in the areas to active residential locations with the potential to deliver mixed use developments.
- The reanimation of spaces and the production of high quality new liveable environments provide a range of unit sizes and affordable housing.

An overview of the main features of each development that will contribute to these wider benefits is set out below. While it is possible

to estimate some of these amenity benefits, we have not sought to do so for this application (beyond the private amenity benefits monetised in the land value assessment) as these are not the primary driver for this infrastructure investment - however the potential contribution to the wider regeneration and development of this part of south east London is potentially significant.

Canada Water Masterplan

The changes proposed to the transport network will improve the accessibility of the Canada Water site which is planned to become a major employment hub and is an Opportunity Area in the London Plan. Proposed improvements that will benefit residents and non-residents will include the development of up to one million square feet of retail/leisure space and up to two million square feet of commercial / office space at this location. (The employment impacts of this are considered below). While the private benefits of this new space are considered under the monetised wider benefits of the infrastructure, in conjunction with the new masterplan, the proposals will provide a new hub for London on the riverside and providing significant amenity benefits over the current poorly utilised retail centre.

The first detailed phase includes 40,000 square metres of workspace which will be available for occupation during Q2 2022, which will support London's future growth and competitiveness and the objectives of the Mayor's Economic Development Strategy.

The developers of the site are in advanced discussions with a range of potential occupiers across many of the sectors listed in the Mayor's Economic Development Strategy that are key to a fairer and sustainable future economy for London including: advanced urban sciences, academic, cultural, creative and digital. The interest shown demonstrates that the Canada Water development can attract these sectors.

The workspaces delivered will also support businesses of different sizes including small and medium enterprises (SMEs), providing flexible working space and leasing arrangements to support and nurture businesses and entrepreneurs including start-ups. Up to 26,000 new jobs could be created.

In addition to the public realm and employment benefits, the transport improvements proposed will also improve links to London's Central Activity Zone which encompasses the City and the Canary Wharf development. This Zone is key to London's economic success due to its concentration of high value-added activity. Sustaining the ongoing growth of these key locations will be dependent upon the ability of firms to access a large and diverse labour market, which in turn requires a rail transport system with growing capacity that delivers high levels of performance. The enhancements proposed to East London Line services address this key objective by increasing the capacity for travel between inner south London and the City/Canary Wharf.

The proposed development at [REDACTED] provides another significant opportunity for urban renewal, which will generate benefits to London that exceed the private monetised impacts set out above. For example, the scheme at Surrey Canal Road proposes the following benefits:

- Approximately 1,500 new permanent jobs and 470 temporary construction jobs (captured below)
- Two new bus routes linking the Site to Lewisham and Central London, which will deliver transport benefits in addition to the Transport User Benefits outlined above
- It will energise a state-of-the-art not for profit regional sports complex, providing improved facilities for the wider existing communities.
- Improved public parks and spaces, including the refurbishment of Bidgehouse Meadows and five new public squares.
- Improved accessibility for walking and cycling, including: new cycling and pedestrian routes linking the site to the wider area and improvements to 14 surrounding railway arches and underpasses creating links into the Surrey Quays, Canada Water and the Old Kent Road.
- New community infrastructure, including a new faith and community centre for Hillsgate Church and a new home for the Millwall Community Trust, if required;
- A new and improved setting for The Den and Millwall Football Club, allowing for an increase in capacity of the Stadium.

██████████ in addition to delivering significant new homes, including affordable housing, will provide employment space to accommodate over 2,000 full-time jobs (captured below). It will also provide a range of wider benefits not monetised in the economic case, including:

- New Public Open and Private Amenity Spaces in the form of garden streets, squares, children's play areas, a jetty and landside parks, civic spaces and public realm
- Opening up of Thames-side public access for the first time in 500 years including a route along the entire riverside frontage
- The retention of significant archaeology, including a Scheduled Ancient Monument
- Restoration of the grade 2 listed Olympia Building for cultural and retail activities
- New commercial, leisure, cultural and retail facilities accessible to non-residents and creating a new destination for local communities
- New affordable business space to support the growth and start-up of new small businesses.
- A new 2 Form Entry Primary School and a new health centre (we have not monetized the impacts of this in the non-residential uses)
- Provisions for two local Community Interest Companies one of which would run the planned Sayes Court gardens and resource centre to be provided on the site to re-establish the work of the great diarist and horticulturalist John Evelyn and the other to build a full-size replica of the Lennox, a 17th Century warship
- A network of new pedestrian and cycle routes within and through the site linking Deptford to the Thames in what has been a closed site for 500 years and through major improvements to the route all the way between Deptford station and the riverside
- A new river-bus jetty and pump priming of river bus services connecting to Canary Wharf, the City and beyond up and down stream (not captured in the transport user benefit assessment).
- A new route for buses running through the site and along New King Street providing an alternative to the congested Evelyn Street and enabling better and closer services for existing riverside communities (not captured in the transport user benefit assessment).
- New public art
- Support for community initiatives and promotion of social inclusion in the Deptford area.
- Local highways improvements which will not only cater for the traffic generated by the site, but will also priorities buses, pedestrians, and cycling infrastructure (not captured in transport user benefits assessment).
- A range of sustainable development measures including green and brown roofs and a direct link to South East London Combined Heat and Power (SELCHP) for power

2. Gross Employment

In addition to the wider development benefits not captured in the monetary economic assessment, we have also sought to estimate the potential level of employment that could be accommodated on site. The level of employment space is significant given the levels of growth proposed in the London Plan.

The development schedule set out in Q4.3 provides a breakdown of the non-residential uses expected to come forward. These are repeated in Table 4.5.1. Overall, more than 400,000 sqm of non-residential floorspace is expected to come forward, covering retail, office, light industrial, industrial / warehousing uses, and community uses.

By applying a standard Gross Internal Area to Net Internal Area (GIA-NIA) discount (of 15% for retail and office and 5% for leisure) and applying standard employment densities to these uses (Source: HCA Employment Densities Guide, 3rd Edition), it is possible to estimate the level of employment that would be accommodated at these sites. Overall the uses are expected to support employment for over 20,000 – primarily in office accommodation around Canada Water, but also in retail and leisure uses. Note – we have not sought to estimate the employment associated with the community facilities as insufficient information is available at this stage. However, and jobs accommodated here would be in addition the estimated 23,000 highlighted below (Table 1.2)

In line with the MHCLG Appraisal Guidance we have not sought to monetise these impacts or incorporate in the central assessment of the scheme BCR.

However, despite not being monetised, the employment accommodated in these uses will:

- Help contribute to a shift in economic structure of the local area and population-based employment to support needs of existing and new local residents.

- Provide improved employment opportunities. Employment in the London City Region is forecast to continue growing, reaching 6.4 million in London by 2036. 57% of this growth is forecast to be outside of the CAZ, demonstrating the importance of future well connected employment locations such as Canada Water and the other larger employment sites in this part of London.
- It is also very important to provide employment opportunities and not just housing in order to avoid creating 'dormitory' locations and to diversify and enhance local economic opportunities and contribute to economic scale of this part of London.

3. Wider Strategic Benefits

Enhancing London's agglomeration economies and continued economic competitiveness

Agglomeration economies are the benefits that come when firms and people locate near one another in cities and industrial clusters. They include: easier access to labour, resources, suppliers and customers; a large and diverse provision of inputs and greater certainty of those inputs; and knowledge spillovers providing a source of information and innovation. All of these cumulatively have a positive effect on productivity. The importance of enabling agglomeration economies in cities was supported by a 2014 report for DfT on 'Transport Investment and Economic Performance' (TIEP) which makes it clear that "economic benefits of scale and economic density lead to higher productivity".

Agglomeration economies ultimately come from transport cost savings and can be intensified without increasing the physical concentration of firms and workers, but rather by improving transport connectivity. Investment in public transport and housing are instrumental in increasing the effective density of a city / cluster by broadening its catchment area as well as the population within this area.

London's rail connectivity ensures a good labour supply for businesses in central London. Such a large population within 45 minutes travel time of the central area is an important source of London's comparative advantage, and key to its world city status. Without this kind of population catchment, the high levels of density on which the centre of London depends for its competitive advantage could not be sustained.

The proposals in this HIF submission would further boost London's effective density and support its continued competitiveness as a global city by adding to this dense public transport network, creating new connections (incl. with the new Elizabeth Line) and unlocking new housing development. As a result, the population, job creation and productivity within the catchment area of London's two economic engines (the CAZ and Canary Wharf) would continue to increase.

However, the full effects of agglomeration economies result from complex, correlated and long-term interactions which are difficult to quantify, let alone monetise. Recent guidance has been produced by the DfT which recommends further research in this area and highlights the complexities involved in developing the econometric models required to estimate agglomeration benefits. This level of effort is not appropriate or available for this bid.

Labour market and productivity impacts

As mentioned above, there is an accepted link between agglomeration economies and higher productivity. However, this supposes a fluid, unconstrained labour market. This is increasingly not the case in London, largely as a result of housing issues (shortages and affordability) and capacity constraints on the transport network. Without continued and ambitious investment in both transport and housing, the constraints will worsen and threaten the growth of London's economy.

Growing pressures on housing are already starting to translate into challenges for firms in attracting the workers they need, as they cannot afford to live in London: research by London First (London First, Moving Out: How London's housing shortage is threatening the capital's competitiveness, August 2014) found that London is at significant risk of losing workers due to a lack of homes and rising prices and that many London employees consider leaving the city to live and work elsewhere due to difficulties paying their rent or mortgage.

The proposals set out in this HIF submission can contribute to tackling both these challenges and help to ensure that London continues to attract and retain the skills it needs for all sectors of the economy.

The housing capacity unlocked by the scheme will play a central role in ensuring that the city can continue to attract and accommodate the workforce it needs for its high value, knowledge-based services as well as for public sector services and for sectors which rely on lower paid workers but are equally vital to London's economy (e.g. tourism, hospitality, catering, light manufacturing etc).

In the absence of interventions to address housing shortages and transport capacity, labour market constraints will lead to wage inflation or displacement, as workers either seek higher wages or choose to move to places with more affordable housing. The implication for employers is to either increase wages or operate within a reduced labour market which will constrain their growth potential, leading to skill gaps, dis-investment and knock-on effects on productivity and long-term prospects for London.

Social deprivation impacts

A scheme such as this which combines transport infrastructure with housing and commercial development in comparatively deprived areas of London will have a range of social impacts on the local population along the route.

According to the 2015 Index of Multiple Deprivation, a number of LSOAs located around Surrey Quays, Canada Water and the proposed Surrey Canal Road station are located within the 10% or 20% most deprived nationally.

While the causes of deprivation are multiple and complex, access to employment and services can be a critical barrier where public transport is scarce. For this reason, lack of mobility is often inextricably linked to social disadvantage and exclusion. The proposed transport capacity and frequency improvements, alongside the new station at Surrey Canal Road can improve access to a wider job market for local residents. In addition, over-time, the growing scale of the local population as new housing comes forward will also generate new local employment opportunities, including in sectors which can employ residents with lower qualification levels

These impacts have not been monetised at this stage of the bidding process as they would require an in-depth understanding of the causes of deprivation in the local areas and because effects on deprivation result from multiple and complex drivers meaning change can take a long time to materialise.

Living conditions and equality benefits

By increasing the supply of housing (both market and affordable) in London, the proposals in this HIF submission can contribute to improving access to housing across a range of groups in London and help address some of the impacts of housing shortages on living conditions and inequality.

At the moment housing affordability issues most affect young people's prospects for independent life (with nearly a quarter of young adults in London now living with their parents), the eldest and the most deprived. Housing is becoming increasingly unaffordable for young people, and the latest data shows London's first-time buyers are spending 62% of their take home pay on mortgage payments, almost double compared to the rest of the country. The ratio of the average price of homes sold by Nationwide to first time buyers to average earnings is at a value of 9.8 in London, almost double the national average. It is a stark increase from 2.7 in the mid-1990s and 5.4 in 2009. As a result, private rents have also risen very quickly in real terms and rental affordability has worsened as earnings have failed to keep up.

By providing a supply injection of almost 14,000 homes (directly and indirectly), this HIF bid helps to mitigate the pressures of a restricted housing market, and to prevent the displacement of low and middle income earners out of London. It also contributes to addressing social mobility and inequality issues in London by preventing the growing gap between low and high earners, and between generations.

Sensitivity Analysis

Please describe sensitivity analysis conducted (if not covered above)

See Attachment "ELL HIF Economic Case Appendix-LVU Method Note.pdf" for response including tables referenced.

The following sensitivity will be undertaken to consider the most significant risk to the proposed delivery of infrastructure and the resulting impact on housing delivery around the East London Line stations. The following five tests will be considered in the final assessment:

- Sensitivity Test 1: Displacement

A higher level of displacement (of 30%) has been applied to all sites on the preferred option and reference case.

- Sensitivity Test 2: Real Terms Land Value Growth

We have assumed that land values (both existing-use land values and future land values) do not increase in real terms over the appraisal period (i.e. zero land value growth)

- Sensitivity Test 3: Major Development Locations

We will consider the stalled development in one or more of the major development locations. We assume that development is 10% lower on these sites

- Sensitivity Test 4: Wider Housing Delivery

This test considers a scenario where some of the wider / smaller sites remain undeveloped and/or sites are not delivered to their estimated capacity. In this scenario we assume that development on the wider sites is 25% below what is expected in the preferred option.

- Sensitivity Test 5: Cost Increases

In this test we consider the impact of a 25% increase in costs – both total public sector costs and the level of HIF requested.

The sensitivity tests demonstrate that the investment will deliver value for money under a range of circumstance. As table 4.6.1 highlights, the return on investment remains above 4:1, the threshold for very high value for money for all tests. The lowest return on investment is for Test 1 (which considers displacement at 30%) where the total return on investment falls to 4.6. This is significantly higher than the 4:1 threshold.

Optimism bias

Please describe how optimum bias has been applied in line with the Green Book guidance (and where relevant DfT WebTAG guidance (if not covered above))

The application of optimism bias to the capex estimates (including risk) for the economic appraisal was determined according to the requirements sent out in WebTAG and based on the design stage reached. The expenditure on the rail and bus stations plus the land assembly had a 51% optimism bias applied which is conservative but does reflect the relatively early stage of design development reached. Similarly, the capex designed to support the rail service enhancement had a 64% optimism bias applied to it which is again conservative but does reflect the relatively early stage of design development reached.

Optimism bias has not been applied to the opex quoted because this is based largely on known and contracted costs, so the values quoted are robust.

Risk Analysis

Please describe how risk has been assessed and appraised in line with HMT Green Book guidance (if not covered above). The risk analysis should focus both on the risks to the delivery of the infrastructure and the delivery of housing

The risk margins applied to each aspect of the capex are described below:

- [REDACTED]
- [REDACTED]

[REDACTED]

- [REDACTED]

- [REDACTED]

- [REDACTED]

- [REDACTED]

Supporting material and additional economic considerations

Please provide any other information not covered above to support the economic case

Filename	Description
ELL HIF Economic Case Appendix _LVU Method Note.pdf	ELL HIF All Economic Case Responses (including all tabular data)

Please attach all economic modelling done as part of the economic case (other than that provided in specific questions)

Filename	Description
LVU Model.zip	Land Value Uplift

Schemes with Transport Impacts

For any transport modelling conducted, please refer to Annex B of the guidance and attach

Filename	Description
181128 ELL HIF Public Transport Benefit Quantification Report.pdf	Transport Benefits Note

Commercial Case

Market analysis

Please provide details of how the proposed scheme fits with the local housing market and with local demand. Please provide supporting evidence of relevant value assumptions in the area

The following market analysis supports the case that with the right transport infrastructure in place the housing market conditions and demand for homes in Southwark and Lewisham align with the development assumptions unpinning this bid's economic case.

Local Demographics and Housing Market Trends

Demographics

- Both boroughs have experienced sustained population growth. The growth rate in Lewisham is expected to outstrip that of London, growing by 28% to reach a population of 393,000 by 2050. Southwark is expected to grow by another 77,000 people by 2050, to 395,000 people. Both boroughs have a higher proportion of residents that are aged between 25 and 39 than the London average.
- Both borough's populations are more economically active than the London and English averages. In Lewisham 83% of people are employed, with a median annual gross pay of £34,266. In Southwark, 79% of people are employed, with a median annual gross pay of £35,009.

Housing Trends

- **Boroughs are delivering more housing;** The boroughs have responded to housing demand by increasing their annual housing completions. In 2016/17 Southwark added 2,400 net new homes and Lewisham added 1,600. These were respectively the 3rd and 8th highest totals of all London boroughs in 2016/17, and some of the highest delivery levels across the country. Housing delivery has not kept up with population growth; the two boroughs' housing stock has grown by 6% over the last five years, compared to population growth of 8% over the same period. This has led to increasing household sizes.
- **Private rentals are a growing segment of the market:** The tenure composition of housing in London is changing, as fewer people can afford to own a home. The number of private rented households has increased from 15% in 2001 to 27% in 2016, and this trend is expected to continue. According to PwC projections, the private rentals sector is expected to catch up with owner occupation by 2025. The market has been responding to this trend, and since 2009 the Build to Rent (BtR) market has been emerging across London. Around 14,000 BtR homes have been completed since then, and GLA estimates BtR completions constituted c. 12% of net new homes in 2016/17.
- **Affordable homes** Social housing in a relatively large part of the housing market in the two boroughs. 42% of homes in Southwark are social rented and approaching a third (30%) of homes in Lewisham, compared to less than a quarter across London (23%) and less than a fifth nationally (17%). The stock of affordable homes in these boroughs has not changed in the last five years, with new additions through new build delivery cancelled out by losses through disposals out of the sector. Currently, Lewisham has the 27th highest housing waiting list in England with nearly 10,000 households. Despite its large stock of social housing, Southwark still has the 15th highest waiting list among London boroughs, with 6,700 households

on the waiting list.

- **House Prices;** The imbalance between housing demand and supply has resulted in soaring house prices, well-documented for London, where the seasonally-adjusted average house price is now £479,000. Despite the recent dampening of house price growth in London (c. 0% growth in value on average over the past 12 months according to ONS), prices have increased nearly three-fold over the last 20 years, with the average price paid on homes in 2017 amounted to £482,000 in Southwark and £409,000 in Lewisham.
- **Private rent costs;** London has the highest average private sector rents out of all English regions, with median rent equivalent to £1,433 per month (more than double the England average (£675)). The private rental levels in Southwark and Lewisham are broadly comparable with median monthly cost of renting a two-bedroom apartment in Lewisham around £1,300 per month and around £1,550 per month in Southwark.
- **Housing affordability;** Housing affordability has worsened in London, as income rises cannot keep up with increasing costs. The issue is particularly felt by private renters, for whom median housing costs constitute the largest share of income (around 35%, up from 30% in 2010). Another measure of affordability is the ratio of housing costs to earnings. In Southwark, the lower quartile house price to lower quartile earnings (workplace-based) has worsened over the past five years, up from 8.94 in 2012 to 15.29 in 2017. In Lewisham, the equivalent measure reached 14.29 in 2017 – and both are now approaching double the national affordability ratio, which has only moved from 6.77 in 2012 to 7.91 in 2017.

Market Absorption

The analysis of supply and demand trends points to the ability of the market in Southwark and Lewisham to accommodate the additional development which would be enabled by ELL. Specifically, this can be considered across different market segments of the scheme.

Affordable homes

The affordable housing stock continues to flatline despite efforts to step up new delivery. The waiting lists for both Southwark and Lewisham show these affordable homes would be absorbed easily by these areas.

Private rental market

The development at Canada Water offers significant potential to contribute to the growing need for diversification in tenure across London's housing stock. The professionalisation of the private rented sector through the increase in BtR developments meets the need for high quality, well managed homes. Longer term tenancies available in BtR schemes help give people certainty in the ability to stay in one property for a longer period, promoting more sustainable communities.

Market housing

There are many areas where the ELL will directly enable new homes:

- [REDACTED]
- [REDACTED]
- [REDACTED]

A table of the sales rates in nearby locations demonstrates the appetite for development in these areas is attached in "ELL H F Market_Analysis_Benchmarking pdf"

Filename	Description
ELL HIF Market_Analysis_Benchmarking.pdf	Market Benchmarking Data

Delivery strategy

Please provide details of who will be delivering the infrastructure

The infrastructure associated with the ELL capacity programme will be delivered across various teams within TfL and their contractors as outlined below;

ELL 20 TPH, Surrey Quays Station and Surrey Canal Road Station

The infrastructure works (and design work) services associated with these projects will be delivered on behalf of TfL as the Client and Contracting Organisation by a private sector principle design and works contractor. The contractor may look to enter contract themselves with other private sector 'sub' suppliers and partners to support the delivery of what is required under the main contract. This can be for example specialist services which the main contractor doesn't have sufficient competencies in house. There could also be a scenario where two Tier 1 Works Contractors partner together in a joint venture to bid for the delivery of the work. The Principle Design and Works Contractor will be procured in most cases through a competitive tender process.

Canada Water Bus Station

The bus station enhancement delivery will be project managed by TfL's in house team. The design will largely be completed using in house resources to minimise costs with external expertise procured through existing frameworks if necessary. The build phase of the project will be procured through existing TfL frameworks.

Procurement strategy

Please provide details of engagement with contractors to date and the procurement strategy for delivery of the infrastructure scheme

The ELL capacity programme is currently in early stages of design development and as such engagement with main works contractors for the delivery of the necessary infrastructure has not yet started. Early market engagement for a GRIP 5-8 Design and Build Contract will start at the GRIP 4 stage.

Procurement Strategies for infrastructure projects of this value and complexity are progressive documents which are updated and agreed over time for procurement of separate or combined GRIP stages. As such, the Procurement Strategies for each project currently cover the early design stages only, reflecting where the projects are currently at in the overall project programme. The below represents current thinking on the procurement of later stages for these projects; nothing will be formally agreed until later in the project life cycle through a robust signed off procurement strategy.

A GRIP 5-8 Detailed Design and Build (D&B) procurement is a common procurement strategy exercised by London Overground and would most likely be the strategy adopted by these projects.

Surrey Quays Station Procurement

A GRIP 3 Single Option Selection was awarded to AECOM through a Mini Competition under the TfL Rail Engineering Services Framework Agreement (PSF 91310).

It is anticipated that the GRIP 4 Single Option Development (Concept Design) will also be procured as a call off against the Rail Engineering Services framework as a single contract for Surrey Quays Station

It is anticipated that the GRIP 5 – 8 (Detailed Design and Build) for Surrey Quays Station will be procured through a competitive tender through suppliers prequalified by the Railway Industry Supplier Qualification Scheme (RISQS). Buyers of products and services throughout the GB rail industry use Rail Safety and Standards Board (RSSB) RISQS as their supplier qualification service. This provides an open, fair and transparent way for suppliers to be formally recognised as capable providers of products and services.

The service supports key sectors of the industry including Network Rail, Transport for London, passenger and freight operating companies, rolling stock organisations, main infrastructure contractors and many other buying organisations in the management of supply chain risk.

The scheme embraces rail's qualification arrangements. RISQS is industry-owned and governed, sponsored by a committee of representatives from across the rail industry. This reports into the RSSB Board, and RSSB provides a range of services to support operational delivery of the scheme.

There are also potential advantages to awarding GRIP 5 – 8 (Detailed Design and Build) for both Surrey Quays and Surrey Canal Road stations as a single competitive tender in terms of cost efficiencies to be realised. However, there are also risks associated with procuring GRIP 5-8 for two separate station projects which will have different scope, design, timescales and risks to manage.

Surrey Canal Road Station Procurement

Similarly to Surrey Quays, it is anticipated that the GRIP 5 – 8 (Detailed Design and Build) for Surrey Canal Road Station will be procured through a competitive tender through suppliers prequalified by the Railway Industry Supplier Qualification Scheme (RISQS). Buyers of products and services throughout the GB rail industry use Rail Safety and Standards Board (RSSB) RISQS as their supplier qualification service. This provides an open, fair and transparent way for suppliers to be formally recognised as capable providers of products and services.

As highlighted earlier, there are potential advantages and risks with awarding GRIP 5 – 8 (Detailed Design and Build) for both Surrey Canal Road and Surrey Quays as a single competitive tender. The trade-offs between these options will be considered carefully through the procurement strategy development to implement the most appropriate procurement mechanism.

ELL 20 TPH Procurement

A GRIP 3-5 design contract for the signalling upgrade on the ELL core route is currently out to tender at the time of writing through a Mini Competition under the TfL Rail Engineering Services Framework Agreement (PSF 91310). This tender also includes for initial feasibility (GRIP 2) design on the additional stabling, train preparation facilities

and traction power upgrade.

A GRIP 6-8 delivery contract for relatively low value work is being explored through a variation to the existing LO Infrastructure Maintenance contract with Cleshar Services Ltd. If the price through Cleshar is not competitive, the work will be procured through a competitive tender through suppliers prequalified by the Railway Industry Supplier Qualification Scheme (RISQS).

It is anticipated that the GRIP 3 Single Preferred Option and GRIP 4 Single Option Development design stages for the additional stabling, train preparation facilities and traction power upgrade to be procured as a call off against the Rail Engineering Services framework.

It is anticipated that the GRIP 5 – 8 (Detailed Design and Build) for the additional stabling, train preparation facilities and traction power upgrade will be procured through a competitive tender through suppliers prequalified by the Railway Industry Supplier Qualification Scheme (RISQS). Buyers of products and services throughout the GB rail industry use Rail Safety and Standards Board (RSSB) RISQS as their supplier qualification service. This provides an open, fair and transparent way for suppliers to be formally recognised as capable providers of products and services.

Canada Water Bus Station Works Procurement

The bus station works will be procured through TfL's existing frameworks in line with procurement policies and procedures. TfL have the in house capability to complete the design work and this is likely to prove more cost effective. A decision will be taken in developing the procurement strategy at which stage a contractor will be engaged. Options include completing all of the design in house and letting the contract as build only, or completing the design up to RIBA stage 3 or 4 and then letting a contract to complete the design and progress the build. This decision will be informed by the availability of in house resource and any specific design risks that may be preferable to pass to the supply chain.

Please outline the procurement strategy to ensure build out of the wider scheme, including engagement with development partners to date, including use of SPVs, other joint ventures and legal proposals to bring forward homes

[REDACTED]

The GLA and the respective boroughs will offer support if necessary to bring these sites forward. The GLA has, and will continue, to take a pro-active engagement approach to facilitate housing growth in the area. To date this has included:

- [REDACTED]
- [REDACTED]

- Ex [REDACTED]

Please attach any supporting evidence from contractors / developers which support your proposal

No attachments

Implementation timescales

Please provide an overview of the implementation timescales for your procurement strategy

As highlighted in section 5.3.1, Procurement Strategies for each project have been created but only cover the early design stage these projects are currently at. Procurement Strategies for infrastructure projects of this value and complexity are progressive documents which are updated and agreed over time for procurement of separate or combined GRIP stages. Provisional implementation timescales for Procurement Strategies associated with each project is as follows:

Surrey Quays Station

GRIP 3 (Single Option Selection)	June 2018 – September 2018
GRIP 4 Single Option Development (Concept Design)	March 2019 – June 2019
GRIP 5 – 8 (Detailed Design and Build)	February 2020 – May 2020

Surrey Canal Road Station

GRIP 4 Single Option Development (Concept Design)	March 2019 – June 2019
GRIP 5 – 8 (Detailed Design and Build)	February 2020 – May 2020

ELL 20 TPH - Signalling Works

GRIP 6 – 8 (Detailed Design and Build)	August 2019 – October 2019
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ELL 20 TPH - Stabling

GRIP 3 (Single Option Selection)	April 2019 – July 2019
GRIP 4 Single Option Development (Concept Design)	December 2019 – March 2020
GRIP 5 – 8 (Detailed Design and Build)	November 2020 – February 2021

ELL 20 TPH – Traction Power

GRIP 3 (Single Option Selection)	April 2019 – July 2019
GRIP 4 Single Option Development (Concept Design)	December 2019 – March 2020
GRIP 5 – 8 (Detailed Design and Build)	November 2020 – February 2021

Canada Water Bus Station

Surveys and investigations	April 2019 – October 2019
Construction	By December 2020

Please provide an overview of your phasing and implementation strategy for the wider scheme

The implementation strategy and phasing information for sites unlocked by the ELL capacity upgrade has been produced by individual developers, including phased timelines for housing delivery. These have been set out in the attached delivery programme "ELL HIF Programme.pdf".

Contract management approach

Please provide details of your approach to contract management and any details of any arrangements already in place - this should include charging mechanisms



[REDACTED]

[REDACTED]
[REDACTED]

[REDACTED]

- [REDACTED]
- [REDACTED]
- [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
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- [REDACTED]
- [REDACTED]
- [REDACTED]

[REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Additional information

Please provide details of the proposed key contractual clauses

Filename	Description
ELL HIF Programme.pdf	ELL HIF Programme

Financial Case

What are the total scheme costs?

£90,158,921

Will the infrastructure costs be 100% funded through HIF?

No

Please provide a summary of the total infrastructure costs of the project

Description	Type	Cost	HIF Funding
Surrey Canal Road Station	Infrastructure		
Surrey Quays Station Enhancement	Infrastructure		
Surrey Quays Land Aquisition	Land (exc. Sunk costs)		
ELL Stabling and train preparation	Infrastructure		
ELL Power	Infrastructure		
ELL Signalling	Infrastructure		
Canada Water Bus Station	Infrastructure		
Risk Management	Contingency		

Please provide a summary evidencing how you have assumed these costs

[REDACTED]

[REDACTED]

No attachments

Can you provide detailed costing for the housing element of the wider project that forms part of your total scheme costs?

No

Please explain why these are not currently available and when you expect them to be more developed

The housing element of the wider project that forms part of the total scheme costs will be funded by the private sector, and so the GLA does not have access to the detailed cost information. Assumptions on build costs have made at this stage as follows:

[REDACTED]

- For all other sites, we have applied the build cost (per sqm) for the [REDACTED] to the estimated unit size. This development was selected as it provides a more typical estimate of likely costs towards the southern part of the development area (the [REDACTED] are expected to be delivered to a higher specification and are expected to achieve high sales values).
- [REDACTED] we know the total floorspace allocated to housing and have used this as a basis for allocating build costs to each unit type.
- For other developments we have applied the Space Standards from the Draft London Plan. To provide a conservative estimate, we have used the maximum floorspace for each unit type (including storage), which ranges from 59.5 sqm for a 1-bed and 133 sqm for a 4 bed, so consider this to support a conservative estimate of land value uplift.
- Contingency of 5% has been applied to all of the basic build costs for housing.

- The following additional costs have been estimated in line with MHCLG Guidance (Land Value Estimates for Policy Appraisal, May 2017) for all sites except [REDACTED] where we have applied the specific values confirmed by the developer.
 - o Externals – 15% of basic build costs
 - o Professional fees – 8% of basic build costs
 - o Marketing / sales costs – 3% of sales price / GDV
 - o Developer profit – 17.5% of GDV for market housing (n.b. this will be lower than the GDV presented below which assume 100% market housing. In line with the Montagu Evans report, we have assumed that GDV on Shared Ownership is 51% of the level achieved for market housing and 44% for Affordable Rent).
 - o Finance cost – we have assumed that these are 6% of the development costs.
- The total housing costs have been estimated at £11,433.84m

Please provide a detailed cost plan for the scheme proposed to be fully or part funded by HIF.

Filename	Description
ELL_HIF_CostPlan.xlsx	Cost Plan

Please provide detail on how the land cost included in your scheme costs has been arrived at and the basis of this assumption (if you have included these costs in either your infrastructure or housing costs)

The HIF ask includes £4.03m (£3.66m without risk contingency) for land costs associated with obtaining 3 land parcels required for the Surrey Quays Station enhancement. The cost estimates reflect current market value (November 2018) and include both fees and a 10% risk contingency.

It has been assumed land will be acquired by CPO and as such allows for Statutory Loss payments, disturbance and professional fees. If the properties are acquired via private treaty it is likely that the costs may exceed this amount but the vendors would not be entitled to disturbance or statutory loss payments so a deal could be presented.

Please see "Land costs at Surrey Quays station.pdf" for details

Please attach any evidence to support how the land cost has been assumed

Filename	Description
Land costs at Surrey Quays station.pdf	Land Cost Assumption Details

Funding and Financing Sources

Have you applied for or received, other public funding or financing for the scheme?

Yes

Please provide details of the public funding applied for and / or received

Details of funding	Funding type	Status
TfL has committed to supporting the additional operating costs generated by the investment proposed in the HIF Bid through its Business Planning process. These cover the additional bus and train services provided as well as the new train and bus station infrastructure that will be delivered. The additional bus service provided will be covered initially by Section 106 contributions from the developer of the [REDACTED] site.	Other (please detail)	Applied for - successful

What are the overall funding sources for the infrastructure scheme?

[illegible]

What is the proposed funding and financing strategy for the infrastructure scheme? If funding sources have not been secured you should also provide commentary of how this is expected to be secured and progress against this - please reference the above table in your answer

Category	Value (approximate percentage)
1	10
2	35
3	100
4	95
5	90
6	80
7	95
8	98
9	80
10	95
11	98
12	95
13	98
14	90
15	95
16	85
17	10
18	100
19	60
20	100
21	95
22	100

[REDACTED]

No attachments

What is the proposed funding and financing strategy for the housing scheme? If funding sources have not been secured you should also provide commentary of how this is expected to be secured and progress against this - please reference the above table in your answer

No attachments

Gross Development Value

How much is the assumed Gross Development Value (GDV) for the scheme?

£12,502,093,133

Please provide a breakdown of the assumed GDV of the scheme in relation to the below:

Private sale	£7,311,927,583
Rent income	£0
Affordable sales income	£722,885,246
Commercial income	£4,467,280,304
Other	£0

Please provide a summary evidencing how you have assumed the GDV subject to this bid

The GDV above is expressed in current day prices (2018/19)

The assessment of GDV has considered:

- Gross development trajectories associated with each site. TfL have worked with LB Lewisham and Southwark to confirm: (i) the sites that are considered to be dependent on the HIF funded infrastructure and (ii) the scale and phasing of potential development that is expected to come forward at each site. In many cases, the sites are allocated in the respective Borough's local plans and information is available from the respective local authorities on the capacity and likely phasing of development. For the larger development [REDACTED] TfL have either engaged directly with the developers to confirm the development characteristics and/or taken relevant information from planning applications and development appraisals.
- Unit size mix. The unit size mix for [REDACTED] is based on the relevant planning approval. The size mix for the [REDACTED] is based on information provided by the developer. For the smaller sites, the unit size mix is based on policies from the relevant Local Plan.
- Sales values:
 - o Sales values for the [REDACTED] are based on information provided from the developer.
 - o Sales value for [REDACTED] based on estimated sales values (based on average unit sizes and sales vales psm) taken from the 2015 Development Appraisal. These have been updated at 2% a year for three years to reflect the land value growth assumptions.
 - o Sales values for all other sites are based on a local market assessment of achieved sales prices for new build developments in the area (based on 1, 2, 3, and 4 bed properties). We have considered the following three market sub-areas: Surrey Quays, Deptford, and South Bermondsey.
 - o Where site level information is unavailable, we have assumed that the GDV achieved for an affordable home is 27% of the market GDV. This is in line with the assumptions underpinning the development at [REDACTED] and has been applied to all sites in the absence of additional site specific information

No attachments

Please provide a cashflow for both the infrastructure and the overall development or housing scheme (if available). Please provide details on any growth and inflation assumptions made

Filename	Description
ELL HIF CashFlow.xlsx	ELL HIF Cash Flow

Recovery

Do you aim to recover any of the funding (to be retained locally)?

Yes

Please provide assumed profile of recovery

Up to 2020	£0
2020-2025	£0
2025-2030	£10,530,000
2030-2035	£24,340,000
Future years	£138,300,000

How will the funding be recovered?

Recovery is expected to be generated through two key sources:

- 1) The farebox for public transport services
- 2) Profit from housing development on publically owned land

How do you intend to use recycling to support future housing delivery in your area?

Farebox recovery:

The operation of higher frequency services on the ELL and new station access points will generate additional revenue. The impact on revenue has been estimated through RailPLAN London Overground, Docklands Light Rail, London Underground, Buses and National Rail services although the bulk is expected to be captured on the ELL.

Any recovery of fare revenue by TfL will be recycled to support continued investment in the London transport network. This will include investing in wider transport initiatives that support the housing agenda through active travel initiatives and infrastructure, public transport network capacity enhancements and urban realm developments.

Additional Information

If you have any further information to support the Financial Case for your project, which has not already been captured in the above, please include this here

No attachments

Management Case

Project Dependencies

Description	Critical	Outside of direct control
ELL 20 tph Timetabling A specific project dependency for this project is Network Rail Timetable Change Approval. Sections of the ELL route run on Network Rail infrastructure down to Crystal Palace (Sydenham Corridor) and Clapham Junction (South London Line) Stations. The delivery of ELL 20 tph is dependent on the proposed timetable associated with running the additional 4 tph ELL services on these sections can be agreed with Network Rail and other operators through the standard industry process for agreeing timetable change. Following an initial timetable assessment undertaken by Network Rail it has been confirmed that there will be impacts on other Operators services running on these routes for which appropriate mitigation and negotiation will be required to be agreed and delivered through the standard timetable change industry process. There are also possible operational (additional step back drivers) and infrastructure changes (line speed increases) required at Clapham Junction station to achieve acceptable turnaround times to support the proposed ELL 20 tph service pattern. There will be a dependency on any operational changes to be agreed with and delivered by the ELL Operator (currently Arriva Rail London) to support the introduction of the new ELL 20 tph service pattern. Any infrastructure changes required on Network Rail infrastructure will need to be delivered by Network Rail themselves.	Yes	Yes
Power Upgrades In relation to the additional ELL services running on NR infrastructure in the sections highlighted above, there is a dependency for this project that the traction supply is sufficient in these sections to cater for the additional power demand driven by the 4 additional trains. If the existing supply is not sufficient then there is a dependency for NR to deliver any required supply upgrades to their traction power infrastructure in the area.	Yes	Yes
Surrey Quays Station A specific dependency for this project is the agreement of necessary access rights of the [REDACTED]. These access rights will be as follows: • Rights for TfL passengers to enter/exit the new station entrance from the Development site; • Access for TfL maintenance staff to access the station and associated assets when required to undertake essential maintenance. This will include space for any necessary vehicles/equipment; • Access for construction works to support the deliveries new station entrance; and • Areas of the Development site to use for construction compounds during the works.	Yes	No
Surrey Canal Road Station A specific dependency for this project is the agreement of necessary access rights of the Renewal development adjacent to the new proposed station entrance. These access rights will be as follows: • Rights for TfL passengers to enter/exit the new station entrance from the Development site; • Access for TfL maintenance staff to access the station and associated assets when required; to undertake essential maintenance. This will include space for any necessary vehicles/equipment; • Access for construction works to support the deliveries new station entrance; and • Areas of the Development site to use for construction compounds during the works.	Yes	No
Bus Station The key project dependencies are: • Need to require planning consent – this will be confirmed through next stages of project; and • Land use – the required land is in TfL's ownership but negotiations with the current users will need to continue to ensure delivery can be achieved.	Yes	No
Railway Access for Construction – railway infrastructure projects in most instances will have to impact the operation of the existing railway to allow works to be delivered. To be able to undertake works on the railway, access through railway possessions is required to undertake work safely without any risks to workers from train operations. In these situations, disruption to services are impacted for which compensation may be	Yes	Yes

required to other operators/passengers. The process for agreeing access through possessions involves multiple stakeholders and several stages of approval for which planning is critical

Project governance, organisation structure and roles

Please outline the authority's approach to governance and oversight of the delivery of the proposal. This should include how you will work with any other key delivery partners (such as other landowners)

The GLA expect to enter into a Grant Determination Agreement with MHCLG to deliver the HIF FF schemes. The GLA will, in turn, procure delivery for each of the individual schemes by entering into Funding Agreements with delivery partners including boroughs and TfL. These individual Funding Agreements will be governed by a HIF Programme Delivery Board which will have oversight of all London FF schemes.

The Programme Delivery Board with overarching responsibility for all HIF projects (both MVF and FF) in London. Below the Programme Board there will be an ELL HIF Project Board, led by the GLA and reporting to the Programme Board, with oversight of the delivery of the infrastructure in this bid.

HIF Programme Delivery Board

The HIF Programme Delivery Board membership will comprise members representing the GLA, TfL and London Councils. The HIF Programme Delivery Board objectives will:

1. Provide the leadership and support necessary to ensure successful delivery of the HIF Programme in London by identifying and leveraging synergies, mitigating risks and managing dependencies;
2. Oversee programme management of the Marginal Viability Fund in London on behalf of MHCLG, proactively monitoring and managing underspends and, where necessary, proposing substitute schemes for approval by MHCLG;
3. Ensure a robust programme assurance framework is in place to ensure value for money in relation to project outputs and outcomes, including the delivery of a considerable number of new homes;
4. Receive quarterly reports on FF and MVF projects and monitor progress in the delivery of infrastructure and spend against project profile and programme longstops;
5. Provide quarterly reports to Housing and Land Directors Management Team on project risks and progress in delivery;
6. Review proposed changes to FF projects and agree change requests prior to submitting to MHCLG for approval; and
7. Commission evaluation surveys of London HIF projects, as necessary, to meet MHCLG requirements

ELL HIF Project Board

The Project Board will comprise representatives responsible for delivering each infrastructure component of the scheme at TfL and an area manager for each borough housing relationship at the GLA, its objectives will be to:

1. Lead and support, where necessary, to ensure successful delivery of the ELL HIF Project, by identifying and leveraging synergies, mitigating risks and managing dependencies;
2. Monitor programme delivery, and ensure a robust project assurance framework is in place to ensure value for money in relation to outputs and outcomes, including monitoring delivery of new homes;
3. Submit regular reports to Programme Board on progress, issues and risks in delivery of infrastructure and spend against project profile and programme longstops;
4. Review proposed changes to projects, and recommend change requests to Programme Board for submission to MHCLG; and
5. Oversee evaluation surveys of projects, and other conditions of funding.

Delivery partners

The key delivery partner for all the funded infrastructure is TfL, and the GLA remains accountable for the funding and the monitoring of ongoing housing delivery through joint working with the boroughs.

TfL has well-established and robust governance process in place for all projects, as set out in the TfL Standing Orders. This process applies to all projects, whether funded by TfL or by external parties. Each infrastructure component of the bid will have its own steering group within TfL to provide governance, reporting to internal boards. This will include a regular review of risks, reporting of management information, and change control processes.

The GLA will continue its existing working relationship with borough housing enablers and planners to support the homes coming forward, and to track their delivery and benefits realisation. The GLA has existing quarterly meetings with each borough and HIF

delivery can become a standing item on each to discuss progress, issues and monitor delivery. The GLA will also continue its direct relationship with landowners and developers benefitting from the project.

Please provide details of the authority's resourcing for the proposal

HIF Programme Delivery Board Membership

- [REDACTED] – Executive Director Housing and Land;
- [REDACTED] – Executive Director Business Enterprise and Environment;
- [REDACTED] – Director of Spatial Planning TfL;
- [REDACTED] – Assistant Director Group Finance;
- [REDACTED] – Senior Finance Officer;
- [REDACTED] – Head of Area NW London;
- [REDACTED] – Senior Area Manager NW London;
- [REDACTED] – Principal Policy Officer – Transport;
- [REDACTED] – Senior Policy and Project Officer – Economic and Business Policy;
- [REDACTED] – OAPFs Manager, GLA Planning;
- [REDACTED] – Spatial Planning, TfL; and
- [REDACTED] – London Councils

ELL HIF Project Board Membership

- [REDACTED] – Senior Area Manager, Housing and Land;
- [REDACTED] – Area Manager, Housing and Land;
- [REDACTED] – Strategic Spatial Planning Manager, TfL;
- Area Manager, Housing and Land (Portfolio lead for Lewisham);
- Area Manager, Housing and Land (Portfolio lead for Southwark);
- Project Sponsor, ELL 20tph;
- Project Sponsor, Surrey Quays Station Upgrade;
- Project Sponsor, Surrey Canal Road Station; and
- Project Sponsor, Canada Water Bus Station Upgrade

A London Overground Project Team for each project will be set up for the delivery of these projects. A resource management plan for each project will be agreed and will set out the key roles and responsibilities of each of the project team. It will also be used to identify resource needs to deliver individual project works packages and confirm how this resource will be procured such as internally or externally through a procurement process. Key roles within the project team will be as follows:

- Project Manager;
- Programme Manager;
- Sponsor;
- Risk Manager;
- Commercial Manager;
- Engineering Manager; and
- Discipline Engineers e.g. Track, Civils, M&E, Telecoms

If the works are procured through a GRIP 5-8 design and build contract with a main works contractor, they will also have a dedicated project team which will contain similar roles to the Client's project management team as follows:

- Project Manager;
- Programme Manager;
- Risk Manager;
- Commercial Manager;
- Contractors Engineering Manager (CEM);
- Designated Project Engineer (DPE); and

- Contractors Responsible Engineers (CRE) for each discipline e.g. Track, Civils, M&E, Telecoms

The main works contractor may also look to agree sub-contracts with other organisations in its supply chain to provide specialist resources for the completion specific project tasks which the main works contractor may not have the necessary competencies for.

The key resources to implement the bus station project will be:

- Sponsor;
- Project Manager;
- Commercial Manager;
- TfL Engineer;
- TfL Architect; and
- Risk Manager

Please attach an organogram depicting the governance structure and/or roles and responsibilities within the authority

Filename	Description
ELL HIF Governance Organograms.pdf	ELL HIF Governance organogram

Project management arrangements and project plan

Please provide details of the overall project management delivery arrangements for the project, including any challenges or constraints to delivery of the project

ELL 20 TPH, Surrey Quays Station and Surrey Canal Road Station

The delivery of the infrastructure associated with the above projects will be through a designated London Overground Project Team which will manage contracts with external Designers and Works Contractors for the design and build of the infrastructure works. A concept design (GRIP 4) for the infrastructure will be delivered through the management of a design contract with an approved Railway engineering consultancy. The consultant will provide multi-disciplinary engineering designs for the works which will then be review and approved by London Overground.

A detailed design (GRIP 5) for the infrastructure will be delivered through the management the management of a design contract with an approved Railway engineering consultancy. The consultant will provide multi-disciplinary engineering designs for the works which will then be review and approved by London Overground. This design will be singed off as an approved for construction design. The physical delivery (GRIP 6) and handback and commissioning (GRIP 7-8) will be delivered through the management of a build contract with an approved works contractor.

Challenges associated with these works include securing land to undertake works, gaining possession access of the railway to undertake the works and ensuring stakeholder approval to designs.

This information will be set out in a Project Execution Plan (PEP) for each project.

Bus Station

The project will be delivered as much as possible using TfL's in-house project delivery and engineering teams.

The project will be governed by TfL's standard Pathway methodology, the keys stages of which from feasibility will include concept design, detailed design, delivery and close out. At the end of each stage a gate review will be completed to ensure the project is meeting the defined objectives within time and cost constraints. This gate review will ensure a plan has been developed for the next stage of the project. A full suite of supporting documents will be produced by the project team including a project execution plan. Any changes will be managed through TfL's standard change control processes and agreed at the appropriate boards as set out above.

A key challenge will involve ensuring that the works can be arranged to minimise disruption and avoid the need for closures.

Please summarise your project delivery plan to deliver the infrastructure, this should include your anticipated land ownership / control strategy

The Project Execution Plan (PEP) for each of the above projects acts as the central reference document for managing all aspects of the execution of the project – including project management, engineering / technical management, construction management,

health, safety, environment and sustainability management, procurement, maintenance readiness, operational readiness and stakeholders.

ELL 20 TPH

The delivery plan for this project will be as follows:

ELL Core Route Signalling Works

As the works are all within existing rail ownership no third party land acquisition is required. However railway access through agreed possessions will be required to be booked in advance of the works starting. The works will be able to commence once a completed GRIP 5 Detailed Design has been signed off by the Project Engineering Team. The new signalling equipment to be installed in mid-week night possessions with a final commissioning and testing of the new equipment being undertaken during a disruptive possession of the railway when no trains run. Signalling data changes will also be undertaken at the point to integrate the new signalling equipment with the existing system.

ELL Additional Stabling and train prep facilities:

As the works are all within existing rail ownership no third party land acquisition is required. However railway access through agreed possessions will be required to be booked in advance of the works starting to help with bring materials and plant to the site to facilitate the construction works. De-vegetation of the site for the new facilities will be required before construction works can begin. The works will be able to commence once a completed GRIP 5 Detailed Design has been signed off by the Project Engineering Team. Due to the nature of the site it is expected that the majority of the works can be undertaken railway continues to remain operational around the site. When the new facilities are ready to connect up to the main route this work will be undertaken under a possession. If new road access is required to be provided to the site this could cause some temporary road closures.

Surrey Quays Station

Prior to works starting TfL will be required to undertake control of the additional 3rd party land it requires to support the construction of the infrastructure works. Site compounds needed to support the construction works will be set up where required. Railway access through agreed possessions will be required to be booked in advance of the works. Due to the nature of the works these will be in the form of disruptive possessions which will mean that the ELL will not be able to run for a period of time but this will be managed as to not cause prolonged disruption. The works will be able to commence once a completed GRIP 5 Detailed Design has been signed off by the Project Engineering Team. Once works are complete, the new infrastructure will have to be handed back to the long term maintainer of the assets (London Overground Infrastructure Maintenance).

Surrey Canal Road Station

Prior to works starting TfL will be required to undertake control of the additional 3rd party land it requires to support the construction of the infrastructure works. Site compounds needed to support the construction works will be set up where required. Railway access through agreed possessions will be required to be booked in advance of the works. Due to the nature of the works these will be in the form of disruptive possessions which will mean that the ELL will not be able to run for a period of time but this will be managed as to not cause prolonged disruption. The works will be able to commence once a completed GRIP 5 Detailed Design has been signed off by the Project Engineering Team. Once works are complete, the new infrastructure will have to be handed back to the long term maintainer of the assets (London Overground Infrastructure Maintenance).

Canada Water Bus Station

The land required to deliver the bus station infrastructure enhancements is already in TfL ownership. The project will be delivered in line with PEP which will be developed in accordance with TfL's robust project delivery framework.

Please provide details of your project delivery plan to deliver the homes unlocked by the infrastructure. Please detail any expected controls or levers you will put in place to ensure the delivery of housing comes forward on the sites

The GLA will work to create the market conditions which enable the delivery of homes on the sites unlocked by the bid. The delivery partners will use levers available to them to facilitate timely planning applications for development in line with the timescales outlined in our bid:

- The GLA are removing the infrastructure barriers and improving PTAL levels at the identified sites, which helps to overcome infrastructure challenges and costs associated with forward funding the development. By accelerating infrastructure delivery through this investment, the approach works to attract investment in house building on the identified developable sites;
- The scheme is taking a coordinated approach to integrating transport and land use policy, engaging the GLA, TfL, LB Southwark and

LB Lewisham. The GLA has aligned its proposed investment in this bid with bringing forward development in the Canada Water and Old Kent Road OAs, which have significant housing and growth potential;

- If necessary, the delivery partners can make use of CPOs to assemble and acquire land for development. Should there be challenges with fragmented land ownership. The GLA and TfL have the ability the use of the tool to ensure housing on the wider sites is delivered;
- The GLA and TfL will work with LB Southwark and LB Lewisham to accelerate the delivery of homes on public sector land;
- The GLA has additional powers through the Mayor of London Order to call in a specific planning application should it be appropriate to do so;
- The GLA and TfL are taking measures to enhance the capacity of the house building industry, ensuring there is a pipeline of investment which stabilises the demand for construction skills. TfL is considering identifying a single partner with which to deliver a portfolio of homes. One of the options being considered is that the homes are precision built using Modern Methods of Construction; and
- The delivery partners will work with LB Southwark and LB Lewisham through the project steering group to monitor housing delivery on the unlocked sites (see response to 7.5.1).

Public Land

- Most of public land brought forward due to the HIF intervention falls within the Canada Water masterplan and the [REDACTED]
- LB Southwark have entered into a Master Development Agreement (MDA) with [REDACTED] to develop out the Canada Water Masterplan. This MDA means that LB Southwark have a land interest for 20% of the masterplan area. LB Southwark have multiple interests (as a land owner to receive a receipt, planning authority to deliver appropriate levels and types of development, local authority to meet its statutory duty to meet housing need in the borough) to ensure development comes forward at this site;
- This will be monitored through regular quarterly monitoring meetings between the GLA and LB Southwark. Performance will also be monitored at quarterly Canada Water Strategic Forum meetings;
- LB Lewisham have a land interest at the [REDACTED] – Surrey Canal Road development. LB Lewisham own land that will be developed by Millwall Football Club. Any proposal brought forward by Millwall FC will be required to deliver fifty per cent affordable housing on the site as it is public land. This development will be monitored through regular quarterly monitoring meetings between the GLA and LB Lewisham; and
- All other development coming forward on public land will be monitored through regular quarterly monitoring meetings between the GLA and the boroughs.

Viability review mechanism

- The Mayor recently introduced a viability threshold approach for development proposals which are capable of delivering more than ten units or more. Developments that meet or exceed the relevant threshold of affordable housing on site without public subsidy and meet other relevant policy objectives are not required to provide a viability assessment at application stage. This is conditional on an agreed level of progress being made. This means that developments are likely to be built out to avoid triggering an Early Stage Viability Review;
- Development proposals that do not meet the fast track criteria must follow the Viability Tested Route. The Mayor's newly established viability team will assess the viability of the development during the application and the schemes will be subject to an early, mid and late stage review. This means that the level of affordable housing will be assessed and maximised where possible; and
- This will also review the level of contributions for other social and transport costs to the developments.

Please summarise your maintenance strategy for ongoing costs for the scheme

ELL 20 TPH, Surrey Quays Station and Surrey Canal Road Station:

Maintenance strategies for the infrastructure works associated with these projects will be developed and agreed with the LO Maintainer at the Concept design (GRIP 4) stage of each project. The maintenance of new assets is a key consideration in the Concept design to ensure that any new assets installed can be maintained. In general, maintenance strategies for railway infrastructure are used to ensure the following:

- That there is sufficient access available for maintenance of new assets;
- New assets can be maintained safely; and

- The cost and amount of maintenance associated with new assets is acceptable through the undertaking of a full lifecycle cost assessment to ensure that the ongoing maintenance liability is acceptable to TfL.

Bus Station:

The bus station changes are of a scale that has only a negligible impact on operational expenditure and a small allowance has been included in the business case for this.

The design will fully consider the need to maintain new assets in line with CDM regulations. The design will be developed closely with colleagues responsible for the maintenance and in completion of the build a standard handover process will be followed. Ensuring that whole life cost is minimised is a requirement of the design and material selections reflect this.

Project milestones

Please provide actual or estimated dates for the following infrastructure delivery milestones:

First infrastructure planning permission granted	01/03/2020
Last infrastructure planning permission granted	01/03/2020
All land assembly completed (if required)	01/12/2020
Project infrastructure works started	01/08/2019
Project infrastructure works completed	01/03/2023

Please provide actual or estimated dates for the following housing delivery milestones:

First residential units commenced	01/03/2019
Last residential units commenced	01/11/2037
First residential completion	01/03/2020
First residential completion	01/11/2038

Please attach an outline delivery programme for your proposal and the key milestones required to achieve it

Filename	Description
ELL HIF Programme.pdf	ELL HIF Programme

Please list planning references for the infrastructure works

ELL 20 TPH, Surrey Quays Station and Surrey Canal Road Station:

As outlined in section 7.4.5, a number of works can be delivered through Railway Permitted Development rights as the site for the works is on TfL (RFL) owned land. Planning consents for any works outside the rail corridor or for land outside the rail corridor will be delivered at Concept Design (GRIP 4) stage once land requirements are clarified through the concept design.

Canada Water Bus Station:

No land take is required to deliver the bus station project. Should planning consent be required an application will be developed, working with LB Southwark, through the concept design stage of the project.

Please list all statutory powers or consents required and already obtained to deliver the HIF works

ELL 20 TPH:

For this project, consents differ depending on the work package as follows:

- The works to upgrade the signalling on ELL core route can be delivered through Railway Permitted Development rights as the works are all within the existing ELL rail corridor;
- The works to provide additional stabling and train preparation facilities can mostly be delivered through Railway Permitted Development rights as the site for the works is on TfL (RFL) owned land. Road access may be required to be provided at the site from

a public highway meaning separate consents could be required for this. An Asset Protection Agreement will be required with NR who own land to the west of the site for which contains operational railway infrastructure; and

- The works to provide a traction power upgrade could require land outside existing rail ownership so powers will be required to obtain this land from the existing party.

Surrey Quays Station:

For this project some of the works can be delivered through Railway Permitted Development rights as the works are all within the existing ELL rail corridor. There will be also be land required outside of existing rail ownership, so powers will be required to obtain this land from the existing party and relevant lease agreements put in place.

Surrey Canal Road Station:

For this project some of the works can be delivered through Railway Permitted Development rights as the works are all within the existing ELL rail corridor. There will be also be land required outside of existing rail ownership, so powers will be required to obtain this land from the existing party and relevant lease agreements put in place.

Stakeholder management

Please summarise how the key delivery partners will work together effectively

The key delivery partners for the infrastructure elements of the project (delivery of signalling and stabling, station upgrades, the bus depot upgrade and new station) are the GLA and Transport for London (TfL).

The GLA, through its Housing & Land directorate, is the project sponsor and accountable body for the MHCLG infrastructure funding. TfL are the delivery partner and accountable to the GLA for the successful delivery of the works necessary for four components of the programme: the ELL 20 tph upgrades (signalling and stabling), the upgrades at Surrey Quays station, the upgrades to Canada Water bus station, and the construction of the new station at Surrey Canal Road.

The GLA will enter into a funding agreement with TfL to ensure timely delivery of the funded works. The agreement will include details of funding, delivery outputs, timescales, funding drawdown arrangements and agreed progress monitoring arrangements. It will include transfer of delivery risk to TfL as they will be best placed to manage it.

TfL will procure the works in line with its agreed procurement strategy. TfL will enter into contractual arrangements with its suppliers, with the usual monitoring arrangements to ensure the works are delivered to agreed time, budget and quality.

New Homes delivery

The key partners for the delivery of new homes will be the GLA, the London Boroughs of Southwark and Lewisham, and land owners and developers of the identified sites along the ELL route. The GLA will work with the London Boroughs and TfL through the project board to track progress on individual sites and identify ways to unlock those sites.

New homes will be delivered by a range of partners (landowners/developers) encouraged by GLA, with the respective boroughs offering support if necessary, to bring the sites forward. Whilst the landowners/developers/land promoters select the most appropriate delivery route to suit its needs, public sector land owners will have access to the GLA's London Development Panel 2 (LDP2) made up of 30 house builders, contractors and housing associations.

At Canada Water the new homes will be delivered by [REDACTED] through a master development agreement with LB Southwark.

[REDACTED] are one of the largest property development and investment companies in the United Kingdom.

GLA Housing and Land and the respective boroughs will lead in coordinating and supporting the delivery of new homes. GLA Housing and Land teams have extensive knowledge of their areas; working with and across boroughs to support coordinated land assembly and investment in affordable homes. The GLA and the boroughs already have existing structures in place to meet regularly to discuss delivery of new homes in the boroughs and potential opportunities for support to increase supply of new homes.

Where sites are in private ownership, the GLA will work with land owners to understand how sites can come forward into construction. For example, discussions are already being had with [REDACTED]

We believe we already have in place existing structures and arrangements for effective partnership workings to plug into to deliver this project. We would want to avoid duplication to maximise efficiency, and at the same time make sure appropriate arrangements and resources are in place for the GLA to proactively coordinate and monitor the delivery of new homes and ensure TfL deliver the works.

Additionally, we envisage establishing a steering group in discussion with the boroughs to oversee, support and establish monitoring arrangements so the sites are brought forward to deliver the homes. We will develop and agree with our partners, especially boroughs, a Stakeholder Engagement Strategy & Plan before moving into the delivery phase of the project. Our expected proposed delivery monitoring arrangements are shown in an flow chart attached "17.5.1 delivery monitoring arrangements diagram.pdf"

Ultimately, the delivery will be monitored and reported to the Homes for London Board, which is chaired by the Mayor and includes representatives from the GLA, London Councils, TfL, housing associations and the property sector. The board meets quarterly and has oversight (amongst other things) of housing delivery across London.

A Stakeholder Management Plan will be produced for each individual project which will set out all the stakeholders and the roles/accountabilities/interests in relation to the project. The plan will set strategies and required timings of engagement with each stakeholder. They will also rate each stakeholder in relation to importance and have mitigation plans for dealing with expected issues that they may raise.

For the delivery of these heavy rail projects, TfL will act as the Client for the works and will have a works contractor delivering the physical infrastructure through a main works contractor. This is covered in more detail within the contract section.

For the ELL 20 TPH project, there will be a reliance on Network Rail to deliver any elements of work on their infrastructure which is required to support ELL 20 TPH. A services agreement will be put in place between TfL and NR for the provision of services required.

Please summarise how you will work with the other key stakeholders to ensure project success (i.e. local residents / businesses)

We consider stakeholder engagement as an ongoing process to keep the interested and affected parties, such as residents and businesses, involved and informed when individual sites come forward. We will look to work closely with developers of other sites in the business case to ensure project success.

We have proposed establishing a steering group in discussion with the boroughs to operate at a strategic level to oversee, support and establish monitoring arrangements so the sites are successfully brought forward to deliver the new homes. We propose to develop and agree with the developers and boroughs, a stakeholder engagement strategy and communications plan before moving into the delivery phase of each of the sites.

There already exists a Canada Water Strategic Forum chaired by the Deputy Mayor for Planning, Regeneration and Skills at the GLA. This group brings together borough leaders, senior officers and representatives of the major landowners in the wider Canada Water area to coordinate delivery and resolve common issues. As part of their current scheme [REDACTED] have an active community engagement strategy, as evidenced by the strong support from community groups appended to this business case.

ELL 20 tph, Surrey Quays Station, Surrey Canal Road Station, and Canada Water Bus Station:

As part of the stakeholder management plan for each project, local residents, businesses and landowners in vicinity to the infrastructure works will be identified as key stakeholders. Engagement will occur with these stakeholders through the delivery of the works through face to face meetings and written exchange. Drop in sessions will be organised for locals to speak to the project team to gain a better understanding of the project and potentially upcoming works which may impact them. Infrastructure works which create impacts such as noise and dust will be subject to obtaining prior consent through statutory means before the works start. For example, Section 61 of the Control of Pollution Act 1974 allows building contractors to apply for 'Prior Consent' for noise generating activities during the construction phase. These statutory instruments are put in place to protect stakeholders such as local residents from the impact of the works. The main works contractor will also be required to produce and work to a construction phase plan which will set out how they will manage construction activities throughout the works. This information will be made available for local residents, so they have a better understanding of what is planned.

Project assurance

What are your project assurance processes, such as gateways reviews, to ensure project delivery against the business case?

The Project Board will oversee delivery by TfL and provide project assurance. The board will meet monthly to review performance of the project against the business case and the agreed programme and review proposed action in a forward plan. The board will review decisions made by TfL in managing their contracts with suppliers (these of course will be within the terms of the whole project). The board will have oversight of key risks that may impact delivery and monitor any mitigations.

Each of the projects will have their own Integrated Assurance Plan (IAP) which records the first, second and third line assurance measures in place in respect of a project or programme. The IAP is a core TfL Pathway Product and must be produced and approved for all projects and programmes.

The IAP for each project includes First Line Assurance activities which cover internal project assurance activities undertaken by members of the project team. First Line Assurance for these projects will cover the following:

- Periodic Risk Reviews to identify, rate (value/impact) and establish mitigations to support the management of and eventual closure of project risks;
- Periodic Change Control Panel to review and manage proposed changes to project baseline in terms of cost, time quality;
- Periodic Project Steering Group with key stakeholders to discuss project progress and issues and make project decisions where required; and
- Production of periodic project dashboard management information to provide latest updates on a project's health and status

The IAP for each project also includes Second Line Assurance which is undertaken by an independent in house TfL Project Assurance Team and for each an Assurance Review Manager is allocated to each project. The Assurance Review Manager will examine the management information produced periodically by the team and will meet once per period with the sponsor and/or the project manager to assess the project's health. In addition to scheduled reviews, TfL Project Assurance may launch Targeted Assurance Reviews, in response to emergent issues on the project where they will focus on certain elements of the project and will then provide guidance and recommendations for which the project will be expected to take on board prior to a further review by TfL Project Assurance to confirm improvements have been made.

The IAP for each project also includes Third Line Assurance due to the current value of the projects. Third Line Assurance is undertaken by the Independent Investment Programme Advisory Group (IIPAG). This group provides independent assurance and expert advice to the Mayor of London concerning our TfL's Investment Programme. IIPAG will wish to undertake interim reviews of the projects around key milestones and examine the projects in the context of the current issues/challenges impacting TfL's overall business.

Please provide details of your proposed internal monitoring approach for the scheme

The proposed internal monitoring approach for each project is set out in each project's Integrated Assurance Plan (IAP) which records the first, second and third line assurance measures in place in respect of a project or programme. The IAP is a core TfL Pathway Product and must be produced and approved for all projects and programmes.

The IAP for each project includes First Line Assurance activities which cover internal project assurance activities undertaken by

members of the project team. First Line Assurance for these projects will cover the following:

- Periodic Risk Reviews to identify, rate (value/impact) and establish mitigations to support the management of and eventual closure of project risks;
- Periodic Change Control Panel to review and manage proposed changes to project baseline in terms of cost, time quality; and
- Periodic Project Steering Group with key stakeholders to discuss project progress and issues and make project decisions where required.

Production of periodic project dashboard management information to provide latest updates on a projects health and status

Risk Management

Please outline key risks to delivery and mitigations including known delivery constraints and blockages

Number	2	Likelihood	Low	Impact	Medium high
Description	Delay in agreement with Network Rail and other rail operators in relation to the operational and infrastructure interventions required to achieve frequency increase to 20tph.				
Mitigation	Engagement with Network Rail and the Operators is on-going to mitigate any issues associated with the delivery of these interventions, and gauge early agreement in principle of the networks ability to support a 20tph timetable				
Number	3	Likelihood	Low	Impact	Medium high
Description	Identified sites for stabling required to accommodate additional trains are no longer suitable				
Mitigation	Contingency included in cost estimates to account for current design status. Current design tender for ELL 20 TPH includes for a feasibility assessment of currently prioritised stabling sites to determine that the sites are feasible in meeting the stabling requirements. This work shall be completed by mid-2019. Assessment of status of other sites which aren't currently shortlisted will continue in case they need to be reconsidered.				
Number	5	Likelihood	Low	Impact	Medium high
Description	) for construction of Surrey Quays Station enhancements. Risk that construction of the housing development and/or its layout prevents access to land required for the station works and/or during its delivery.				
Mitigation	Working closely with developer and to confirm size of site. S106 obligations and Development Agreement with will provide legal safeguards. required and duration site would be required to ensure this does not impact build out of site. Working closely with the developer to ensure their scheme takes account of permanent land and access requirement for the station. As part of the planning application developer has confirmed location of their phase 1 development (which would coincide with station works) and programme such that risks of land being needed by both parties is now zero.				

Number	10	Likelihood	Medium low	Impact	Medium high
Description	External market forces These can include, but are not limited to the following: - Increase in interest rates resulting in increased holding expenses' - Increases in construction costs due to increases in the cost of building materials and labour - Variations in supply, demand and price in the real estate market (including the impact of Brexit)				
Mitigation	Rate and cost rises should be factored in over the life of the development. Understanding what drives supply and demand changes in London's property market, including its economic and social aspects which causes prices to rise and fall				

Number	12	Likelihood	Low	Impact	Medium high
Description	Changes to legislation and delays obtaining planning permission Planning regulations can be amended by local and central Government. When a change in town planning approval is required for development, unexpected delays can also increase holding costs				
Mitigation	Experienced developers are working closely with the local boroughs, GLA and government to understand emerging changes in planning policy context and address accordingly.				

Please outline your approach to managing risk

See full risk register attached - "ELL HIF Risk Register.pdf"

Risks will be managed through a separate Risk Management Strategies for each project. The strategy is used to define and communicate the approach to the management of risks that could impact the execution and delivery of the work. The strategy will be based on TfL Pathway guidance and the active ongoing management of a Risk Management Strategy Matrix through the life cycle of the project.

Periodic Risk Reviews will be undertaken by the project teams for each project to identify, rate (value/impact) and establish mitigations to support the management of and eventual closure of project risks. Actions to support the mitigation/closure of an identified risk will be developed with accountability for the risk with one individual. Progress on these actions will be monitored at each risk review. At the Concept design stage of each project (GRIP 4), a Quantitative Risk Assessment (QRA) will be undertaken by the Project team to determine an appropriate risk allowance to be included in the Estimated Final Cost for the project for budgetary purposes.

Please attach a copy of your current risk register for the scheme

Filename	Description
ELL HIF Risk Register.pdf	ELL HIF Risk Register

Additional information

If you have any further information to support the Management Case for your project, which has not already been captured in the above, please include this here

Filename	Description
17.5.1 ELL HIF Delivery Monitoring Arrangements Diagram.pdf	17.5.1 ELL HIF Delivery Monitoring Arrangements Diagram

Project Sign Off

Please set out how you have considered your duties under the Equalities Act 2010 (Public Sector Equality Duty) and State Aid risks

In September 2017, the GLA published an impact assessment, including an equalities impact assessment, of the London Housing Strategy. Policies related to increasing housing supply and delivering affordable housing, to which the FF HIF schemes will make a significant contribution, were also covered by the Integrated Impact Assessment (IIA) for the Draft London Plan, published in November 2017.

The IIA concluded the cumulative impact of these policies combined with policies for flexible housing mix, inclusive design and accessible housing would contribute to creating inclusive communities, relieve housing pressures that disproportionately affect lower-income groups and ensure the needs of different groups are taken into account in housing design.

Under section 149 of the Equality Act 2010, as public authorities, the Mayor and the GLA are subject to a public-sector equality duty and must have 'due regard' to the need to (i) eliminate unlawful discrimination, harassment and victimisation; (ii) advance equality of opportunity between people who share a relevant protected characteristic and those who do not; and (iii) foster good relations between people who share a relevant protected characteristic and those who do not. Protected characteristics under section 149 of the Equality Act are age, disability, gender re-assignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation, and marriage or civil partnership status.

Throughout the decision-making process relating to HIF FF due regard has been – and will continue to be – paid to the 'three needs' outlined above. The housing shortage in London disproportionately negatively affects people with certain protected characteristics. Increasing the supply of housing (by funding infrastructure to unlock additional housing supply) will help to achieve positive impacts in line with the 'three needs'.

Please attach your Section 151 officer sign off for your proposal

Filename	Description
HIF ELL s1270312.pdf	GLA s127 officer (s151 equivalent) letter

